

# The Socialist Correspondent

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# Ukraine: West aims for strategic control

The crisis in Ukraine is the result of a western attempt at regime change and the strategic reorientation of this faultline nation.

By **SIMON KORNER**

The seizure of power in Ukraine by western-backed forces in February this year echoes events in Syria, where religious fighters – armed and orchestrated by outsiders – provided the shock troops for destabilisation and civil war, playing on sectarian divisions.

Rather than jihadists playing that role, in Ukraine – as in Venezuela – it has been fascists.

An eleventh hour agreement on February 21st between President Yanukovich and opposition leaders to hold early elections was immediately swept aside by the West intent on destabilisation, and Yanukovich was forced to flee.

Snipers were deployed to incite the violence, shooting both police and protestors, according to Estonia's Foreign Minister, who was given the information by a doctor treating the victims – his revealing phonecall to EU representative Catherine Ashton was hacked by Ukrainian secret servicemen loyal to the elected government.

The Ukrainian army remained in barracks throughout the coup, leaving the police – under the command of the opposition-run Interior Ministry – as the only state force, thus effectively sanctioning the coup. However, more positively, elements of the Ukrainian military have since sided against Kiev, and others have refrained from using force against anti-coup demonstrators.

## New order

Although Yanukovich's corrupt government was unpopular, it was democratically elected, a vote nobody contested at the time of the 2010 election.

Since his forced removal from office, Ukraine's coup regime consists of rightwing and neo-Nazi parties. Most key posts – including president, prime minister and interior minister – are occupied by members of the conservative nationalist Fatherland party, headed by gas billionaire Julia Tymoshenko.

The violent far-right core that led the Kiev demonstrations is also in govern-

ment. Apart from fascist Spain, Portugal and Greece, this marks the first time that neo-Nazis have held office in post-war Europe.

The deputy prime minister, the ministers of defence, environment, education and agriculture, and the chief prosecutor, are all prominent in Svoboda – a party “more extreme than the French National Front or the Freedom Party of Austria”, according to commentator Anton Shekhovtsov.

Svoboda's leader Oleg Tyagnybok – with whom Senator John McCain shared a platform in December – reveres wartime collaborationist leader Stefan Bandera, whose menacing red and black banner flies in the Maidan.

Bandera's men not only fought alongside the Nazis but continued fighting Soviet troops well into the 1950s. Tyagnybok blames the “Moscow-Jewish mafia” for Ukraine's problems.

Another Svoboda man has been ap-

pointed governor of Zhytomyr province, which was the base for Himmler's rule over Nazi-occupied Ukraine. Svoboda and Fatherland are now working in close alliance in government.

Of the paramilitary groups to the right of Svoboda, Right Sector – a coalition of neo-Nazi groups that emerged as the leading force in the protests – is policing Kiev with its armed men, and fascist paramilitaries have recently been drafted into the new 60,000-strong national guard.

Right Sector's charismatic leader Dmytro Yarosh, now the country's deputy prosecutor, is running for president on May 25. Yarosh has called for Gazprom pipelines to be destroyed if Russia does not comply with Kiev's demands. In late April Yarosh moved the Right Sector's headquarters eastwards from Kiev to Dnipopretovsk, as the new base for its growing ultra-nationalist militia. The group may attempt a second coup, if the new government compromises too far with Russia.

Boxing champion Vitali Klitschko's Ukrainian Democratic Alliance for Reforms (UDAR) party – backed by Germany – did not participate in the coup government, outflanked by Klitschko's





US-backed opponent, Yatsenyuk of the Fatherland party.

Klitschko also withdrew from the May presidential race in favour of the smaller Solidarity party's Petro Poroshenko, a confectionary tycoon known as the 'chocolate king', who is leading in the opinion polls.

Julia Tymoshenko - who is considered less hardline than her party colleague Yatsenyuk, and who siphoned off \$200 million while in government, money laundered by UK banks - and Poroshenko are the main contenders for the presidency.

The right-wing nature of the government can be seen in its initial programme which announced wage freezes and price rises to comply with the conditions for an IMF loan.

Prime minister Yatsenyuk, who previously served as head of Ukraine's central bank, as foreign minister and as economics minister, has stressed the need for "responsible government", ready to force through austerity.

On his visit to the US after taking office, he promised to be "the most unpopular prime minister in the whole history." Ukraine's longstanding gas subsidies to its people, amounting to 7.5% of the economy, will be an early casualty.

Another sign of the hard right's ascendancy is the ruling that Ukrainian should be the only official language, not Russian - a move later vetoed by the president as provocative. Russian TV channels have, however, been blocked from the airwaves.

Three of the country's wealthiest oligarchs have been installed as regional governors in the Russian-speaking industrial east, in Donbass, Dnipropetrovsk and Kharkiv, to try to ensure loyalty to the coup government.

Other negative signs are the Supreme Court's plans to ban the Communist party - already banned in two western regions - and arson attacks on the house of Ukraine's Communist party leader and on a synagogue, as well as physical



Image produced by the US Department of Energy. (Feb. 2013)

attacks on Communist MPs and Party regional leaders.

Advice given in late February by Kiev's Rabbi Moshe Reuven Azman for Jews to "leave the city centre or the city altogether and, if possible, the country too" indicates the level of fear.

YouTube footage, in March, showed Svoboda MP Igor Miroshnichenko and his henchmen roughing up the head of Ukrainian state TV and forcing him to sign a resignation letter for broadcasting a speech by Putin - underlining the violent anti-democratic nature of the regime.

**Second phase of the crisis**

Popular protests against the coup gathered pace rapidly. In the ethnically Russian region of Crimea - transferred by Krushchev from Russia to Ukraine in 1954 - mass demonstrations pushed the Crimean parliament to declare independence from Ukraine. In a hastily organised referendum held in mid-March, 96.77% backed a return to Russia, which took immediate effect.

About two thirds of the Ukrainian

soldiers stationed in the region stayed on in Russian Crimea, with some integrating into the Russian army.

Spurred on by the success in Crimea, anti-coup protests gained momentum in other parts of eastern Ukraine, with occupations of police stations and other public buildings in Donetsk, Kharkiv, Luhansk, Slavyansk and other towns and cities, flying Russian flags and refusing to recognise the coup regime.

Following an agreement on April 17 between Ukraine, Russia, the EU and US to de-escalate the conflict, these protestors refused to end their occupations until the evacuation of the Maidan camp, the disarming of the Right Sector and the end of the illegitimate Kiev regime. Indeed, the occupations have spread, most recently to Kostyyantivka.

The growing number of demonstrations in eastern Ukraine, and the declaration of the Donetsk People's Republic in the region's biggest province, has been met with the threat of military force by Kiev to retake eastern Ukraine, in what they called an 'anti terrorist' operation.

Ukrainian forces regained the Kramatorsk military airfield, but so far the military threat has failed to materialise, with reports of villagers facing down tanks, troops refusing to fire on civilians, and weaponry being handed over to the anti-Kiev side.

Unable to rely on its own military, Kiev has resorted to the Right Sector, which has attacked an anti-Kiev roadblock near Slavyansk and is provoking further violence from its new base in Dnipopetrovsk, for example, inciting ultra-nationalist football fans in Kharkiv in late April against a pro-autonomy demonstration.

A number of other violent clashes have occurred throughout eastern Ukraine, but so far on a relatively small scale.

In Donetsk, the western media reported anti-semitic leaflets in circula-



**Odessa, south Ukraine, April 2014: Anti-Fascist protesters express their opposition peacefully to the new right-wing/neo fascist government in Kiev. Odessa, a major seaport on the north western shore of the Black Sea, is the third largest city in Ukraine with over 1 million people.**

the anti-coup protests have escalated, the sentiment has been Russian nationalist rather than class-conscious.

On the other hand, the names and symbols chosen by the protestors – People’s Republic, hammer and sickle flags – suggest a positive attachment to the old socialist order. The protestors’ demands are consistently anti-Kiev, anti-western, and protective of local heavy industry against IMF and EU plans to dismember it.

#### Foreign involvement

The signs of western interference were clear early on, when the Polish, Dutch and Lithuanian ambassadors marched with the protestors – against diplomatic protocol – and when senior US politicians travelled to Kiev to back the demonstrations.

Western NGOs, which helped overturn Yanukovich’s first presidency in 2004, played a similar role this year. The 2,200 NGOs operating in the Ukraine – with over \$65 million to spend – include the CIA front the National Endowment for Democracy; USAID; the International Republican Institute; and the National Democratic Institute for International Affairs.

Control over Ukraine fits NATO’s long-term strategy of encircling Russia. Against George Bush’s promises not to expand the western alliance – made at the time of German reunification – nine former Warsaw Pact countries and three former Soviet republics have so far been absorbed into NATO.

The European association agreement, whose rejection by Yanukovich provoked the crisis, formed part of this strategy, including clauses to integrate Ukraine into EU military structures.

If Russia’s fleet had been ousted from its base in the Crimea, NATO would have gained the Black Sea, depriving Russia of access to the Mediterranean and the Middle East and tightening its encirclement of a strategically weakened Russia.

The previous attempt to extend eastwards on the back of the Orange revolution was left unfinished, and NATO’s expansion was halted by Russia’s new assertiveness in the war in Georgia in 2008.

In Ukraine, NATO has so far been thwarted in reaching Russia’s borders, but has nevertheless succeeded in pulling western Ukraine into its orbit, put-

tion, but leaders of the Donetsk People’s Republic denied responsibility, and blamed Kiev, and the local rabbi denounced the leaflets as a “crude provocation”, according to the Jerusalem Post.

Meanwhile, the detention of a group of western military officers by anti-coup protestors in Slavyansk lifted the lid on covert operations being mounted by the West, particularly Germany.

The Organisation for Security and Co-operation in Europe (OSCE) mission, led by a German colonel, was not part of the civilian monitoring programme, agreed by the OSCE including Russia, as part of the Geneva agreement.

Claus Neukirch of the OSCE said the military observers were sent as part of a bilateral German-Ukrainian deal.

The officers were found with military maps, and the acting mayor of Slavyansk accused them of spying on the protestors’ deployment in preparation for Ukrain-

ian military action. Three Ukrainian secret service agents were also captured in Slavyansk around the same time.

Throughout the crisis, the weakness of the working class movement has been evident. Even in the east, where Communists have some support, where immediately following the coup crowds defended statues of Lenin, and where



**Kiev, Ukraine, February 2014: Western-backed protesters in Maidan. These right wing and fascist forces were directed by Victoria Nuland (inset), the US Under-Secretary of State for Asia and Europe and US permanent representative to NATO.**



ting pressure on vulnerable Russian gas and oil pipelines, all of which run through Ukraine to the rest of Europe.

While the West is not ready for war with Russia, it is driving Ukraine into possible civil war, which could spark wider conflict. NATO's Secretary General announced in a *Bild* interview plans to reinforce the 130,000 strong Ukrainian army, which although relatively weak, would "expose a lot of key weaknesses in the Russian Army" in any clash with Russia, according to Jane's Intelligence Review.

NATO has deployed AWACS reconnaissance aircraft to Poland, and the US has increased the number of its F-15s patrolling the Baltic States, as well as reinforcing the Polish airforce's F-16s, while Britain has sent four RAF Typhoons to Lithuania.

Hawks such as Jim Thomas in the Wall Street Journal have called for Nato planes to be made capable of carrying nuclear weapons.

All these moves are designed not only to maintain NATO credibility in Europe but as a build-up for future conflict, with the US installing a Polish missile shield by 2018 as part of what Defense Secretary Chuck Hagel calls a 're-pivot back to Europe' to confront Russia.

The West is not united, however, and it is this, above all, that makes military action unlikely in the short term.

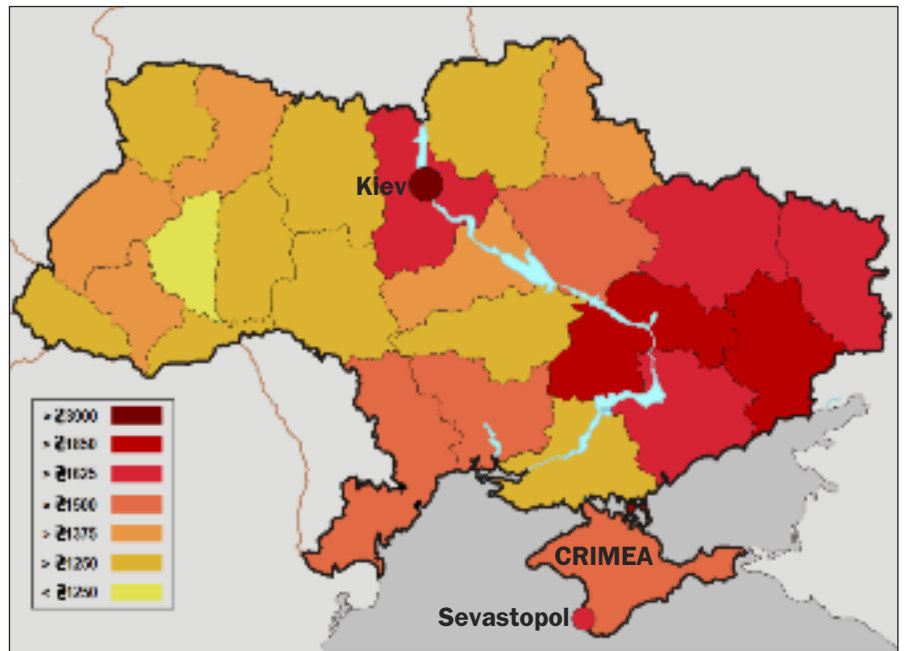
### Role of the US

Victoria Nuland, US Under-Secretary of State for Europe and Asia, made at least four trips to Kiev before the coup, and admitted in December that the US had spent \$5 billion on Ukraine since the 1990s, to build up proxy forces in the country. John Kerry, who took part in the Maidan demonstrations, called openly for insurrection against the elected government.

The leaked "Fuck the EU" phone call in February, between Nuland and Ambassador Geoffrey Pyatt - a conversation no doubt typical of others - was revealing of US attitudes: "Yats is the guy. He's got the economic experience, the governing experience. He's the guy you know. ... He has warned there is an urgent need for unpopular cutting of subsidies and social payments before Ukraine can improve."

The US support for more brutal economic measures reflects its lack of dependence on Russian gas, unlike the EU countries, 76% of whose heating fuel came from Russia last year.

Moreover, with the US overtaking Russia as number one natural gas exporter, its strategy is, according to the New York Times, "aggressively to de-



**A map of monthly salaries in Ukraine published in April 2008 by the State Statistics Committee of Ukraine which shows that eastern Ukraine is the country's economic powerhouse. The figures are in Ukrainian Hryvnia and the country as it was then is divided into its 24 Oblasts (regions) and one autonomous republic: Crimea and two cities: Kiev and Sevastopol.**

ploy the advantages of its new resources to undercut Russian natural gas sales to Ukraine and Europe."

Nevertheless, despite a bellicose media campaign, a Pew poll showed a two-thirds majority believe the US should "not get too involved", and a further poll in late March showed the same numbers rejecting military aid to Ukraine.

### Germany

Germany's role in stirring up the crisis is clear. Germany's preferred leader Klitschko appealed for the formation of militias, along with the Right Sector's call to arms. The shootings began the day after Yatsenyuk and Klitschko met Angela Merkel in Berlin - suggesting German assent.

The German president raised the possibility of sending German troops into Ukraine to "keep the peace", with the *Sueddeutsche Zeitung* and other German media urging German support for the spread of Ukraine-style uprisings in other former USSR countries, including Russia itself.

Germany was a key player in the analogous breakup of the former Yugoslavia, fulfilling her wartime aims of controlling the Balkans. Similarly, the Ukraine is a historic victim of German imperialism. The 1918 treaty of Brest Litovsk forced the Bolsheviks to give up Ukraine for peace, and in 1941, the Nazis took it by force.

The former Head of Germany's Defense Ministry's Planning Staff and

*Die Zeit* editor Theo Sommer, last November raised the key question: "Where are the eastern boundaries of the EU and where the western boundaries of Russia's sphere of influence?"

In economic terms, it is the EU Eastern partnership deal through which Germany has been attempting to gain economic control of Ukraine, Georgia, Azerbaijan, Armenia, Moldova and Belarus.

The EU, which in 2012 gave Ukraine 610 million euros as inducement for signing its association deal, is now withholding any money and has called in the IMF instead, which has so far lent only \$3 billion on strict conditions, at a time when Ukraine needs up to \$80 billion.

Ukraine's fate is set to follow that of Romania, Bulgaria and Hungary - driven into poverty by the EU. The new government has already promised Greek-style austerity, and the opening up of the east's heavy industry to EU predators - hence the hatred of the Kiev regime in the east.

In spite of needing Ukraine as a means of securing its domination of Europe and offsetting the threat from a rising Russia, German foreign policy is nonetheless more reticent and cautious than that of the US - not only because of its dependence on Russian gas, but because of its huge export trade with Russia. Opinion polls in Germany in March showed 77% against excluding Russia from the G8, and only 12% backing military support for Kiev.

## Britain

Britain has been more restrained over the Ukraine than it was over Syria. The reason was underlined when a document being carried to a meeting in Downing Street was photographed by the press, containing the statement: “the government will not curb trade with Russia or close London’s financial centre to Russians as part of any possible package of sanctions against Moscow”.

In other words, the City of London puts profits from Russia before co-operating with its imperialist rivals. In late April, the *Financial Times* editorialised in favour of the mild round of new sanctions against Russia agreed by the G7, but advised against anything more meaningful, arguing that: “full-scale energy and banking sanctions should only be applied if Russian tanks cross the Ukrainian border.” The British banking and finance sectors are protecting their own interests.

## Russia

Russia’s alternative to the EU association agreement has been the offer of a customs union with Ukraine, extending the union it already has with Belarus and Kazakhstan.

A tripartite arrangement between the EU, Russia and Ukraine would allow Ukraine to sustain its existing ties with Russia, but not exclusively. Putin also offered a \$15bn bailout – an offer suspended during the current crisis – and a cut in the price of gas.

By December, Russia had given \$3 billion and was about to give the next tranche of \$2 billion, when the crisis erupted. Russia’s offer was far larger than the EU’s and is not tied to IMF austerity measures.

After the coup Russia, which has respected Ukraine’s neutrality for over 20 years, quickly mobilised its Crimea-based troops, surrounding Ukrainian military bases there, neutralising their forces without bloodshed.

Russia had a longstanding agreement with Ukraine to station 24,000 troops in bases in Crimea, and in spite of the recent influx of more Russian soldiers, the total permitted number was not exceeded.

There was no ‘invasion’ or ‘annexation’ of the Ukraine, as the western media maintains, and the post-referendum return of Crimea to Russia is widely regarded, on all sides, as a fait accompli.

Western claims that the Russian army has been behind the wider eastern Ukraine protests remain unsubstantiated, and are denied by Russia. Recent press photographs in the *New York Times*

‘proving’ Russian involvement have been exposed as fabrications and retracted.

Nevertheless, it is the combined power of Russian military mobilisation on the Ukrainian border, the secession of Crimea, and the mass demonstrations and occupations of key buildings in eastern Ukrainian cities, that have so far forced the reactionary side onto the back foot.

Russia wants a neutral Ukraine outside NATO. It stands by the pre-coup Feb 21st agreement between the EU, Russia and Yanukovich which, had it not been sabotaged by western-backed snipers and the radical right in Maidan, might have de-escalated the crisis by granting greater autonomy to the regions as a way

Britain has been more restrained over the Ukraine than it was over Syria.

... the City of London puts profits from Russia before co-operating with its imperialist rivals.

of keeping the country together.

On the other hand, Russia, a rising capitalist power, should not be viewed simply as a force for progress. It has its own interests to promote, aspirations to regain territories lost to NATO.

Its stoking up of nationalist fervour, using genuine grievances in the Ukraine, smacks of Great Russian chauvinism. But with NATO approaching its borders, it has been forced into a defensive stance, while the US faces no commensurate threat; and in doing so, Russia has shown its capability of acting as a brake on NATO’s expansion.

Nor is Russia internationally isolated, as the western politicians and media present it. In the crucial UN vote on the Crimea referendum, 69 countries abstained or voted against criticising Russia. China, Brazil, South Africa and India all abstained, and the BRICS as a group has refused to endorse western policy.

## Western moves since Crimea

Despite three rounds of sanctions announcements so far, western disunity has prevented hard-hitting measures against Russia.

Apart from visa bans and asset freezes on some individual Russians and some companies, and the exclusion of Russia from the G8, major economic sanctions

have been notably absent.

According to Reuters, “building a consensus is tricky in Europe where many countries rely on Russian energy exports.”

Obama, who won’t impose sanctions alone, has complained of European weakness: “If we, for example, say that we are not going to allow certain arms sales to Russia, but every European defense contractor backfills what we do, then it’s not very effective.”

Even so, Russia has been hit by net capital flight of \$64 billion in the first 3 months of 2014, tipping the country into recession. This may begin to limit its room for manoeuvre as the crisis continues.

## Conclusion

The capitalist shock ‘therapy’ inflicted on Ukraine in the 1990s was part of the wider post-Cold War settlement, which “looks more like Versailles than it does Bretton Woods”, according to *The Nation*.

Corruption and poverty under successive post-Soviet Ukrainian governments provided a material basis for popular discontent. More than half the country’s national income was lost in the 5 years following the end of socialism, when 88% of its once powerful industrial base was privatised.

The population of Ukraine fell from 52 to 45 million. A quarter of Ukraine’s population lives below the poverty line, while the country’s fifty richest capitalists own two thirds of its GDP.

Yanukovich’s government represented the interests of Ukraine’s oligarchs – who backed both government and opposition – rather than those of the Ukrainian people. He engaged closely with the EU, and under him Ukraine supported NATO in the Libya war and participated in NATO exercises, yet his forced removal has only led to further immiseration and, potentially, civil war.

Western support for the Kiev regime, with little pretence of championing democracy, and its hypocrisy in defending Ukrainian sovereignty while ignoring Iraq’s and Libya’s, have led to public scepticism in the West over the need for damaging sanctions against Russia, let alone war. Unable to carry their populations – despite a sustained media bias urging tougher action – and unable to act in concert, the western powers are in some disarray.

The erosion of the unipolar post-Cold War order has been speeded up by the crisis, while Russia’s new self-confidence as a rising great power, willing and able to resist NATO’s 20-year enlargement at its expense, has become clearer.

# Hungry Planet: past its tipping point?

Accelerating climate change will drastically affect world food supplies. In a follow-up to his article in the last issue of *The Socialist Correspondent* (No.19) **GREG KASER** looks at the way chronic food insecurity can result in famine and the crucial role played by water resources.

According to the *Book of Revelation*, the Apostle John was granted a vision of four riders, the principal scourges of pre-industrial society.

The first represented war; the second, civil strife; and the fourth, carrying a scythe, was sickness and death. But the third, riding a brown horse and carrying a pair of scales, was famine. The image of the scales symbolised the unfairness of famine: bread in return for silver.

For those who cannot afford to pay there is only a lingering and pain-

wracked end. As the trapped Chilean miners told us in 2010, by the time they were rescued, after 17 days, their bodies were already cannibalising themselves.

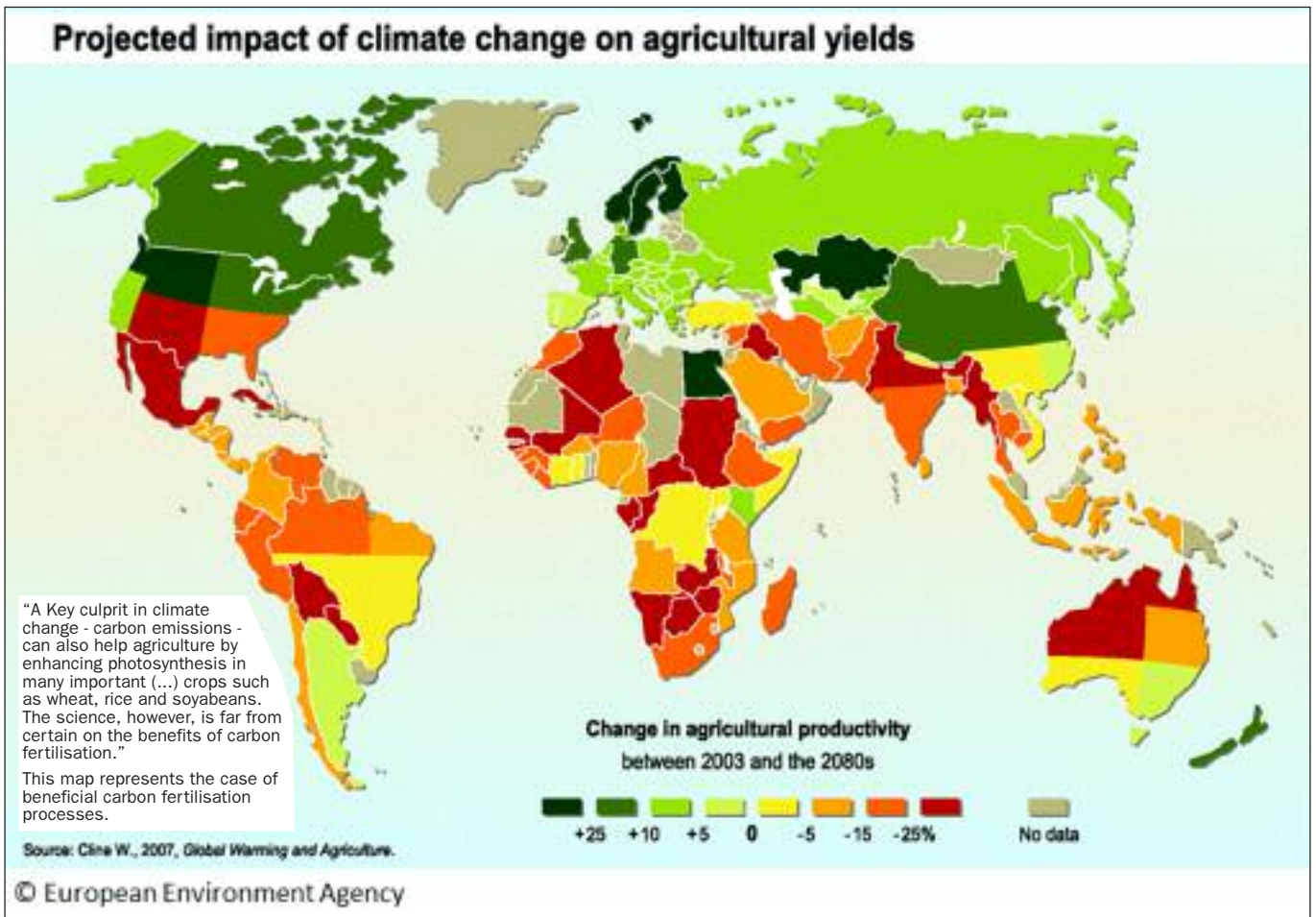
To be sure, famine arises when there is a shortage of food. But it is its unequal distribution that determines who will survive. Food scarcity or food insecurity exists all the time but for the most part people cope with it by eating less and going hungry!

The internationally recommended energy input from food is 2,100 kilo-

calories a day. In a large number of African countries, over 30% of the population eat less than this on average. These countries include Angola, Chad, the two Congos, Eritrea, Ethiopia, Kenya, Mozambique, Uganda, Zambia and Zimbabwe.

Undernourishment affects between 20-29% of India's population, along with Bangladesh, Bolivia, Cambodia, Laos, Pakistan and Sudan. Estimates by the UN Food and Agriculture Organization (FAO) show that the number of undernourished people grew from 800 million in 1995 to over a billion, and it now stands at around 842 million. The peak occurred in 2007-08, when world food prices soared.

Despite two decades of effort to cut undernourishment as part of the





Millennium Development programme, things are little better.

“In order to tackle the root causes of hunger, governments should encourage increased investment in agriculture, expand safety nets and social assistance programmes and enhance income generating activities”, the FAO has said.<sup>(1)</sup>

Most developing country governments have tried and tested means of preventing scarcity from turning into famine. They impose price controls to prevent speculators from pushing prices up beyond the reach of ordinary people. They release food stocks onto the market. They organise special distribution arrangements to ensure that poor people can obtain staples cheaply at all times.

The Indian government is enhancing existing schemes with a right-to-food programme covering 810 million people (70% of the population); up from the 310 million currently eligible for food aid. If a country cannot feed itself, governments can call upon the World Food Programme for additional supplies.

There are 110 countries considered to be vulnerable to chronic food shortage. They include much of Africa and several in Asia. In addition, one billion people lack access to safe drinking water.

It is patently clear that a capitalist world is nowhere near ending the existing levels of hunger and water scarcity. The current situation is bad but it could become a lot worse as global warming proceeds apace. Even if we cannot take a peek into the future, we can look at the trends already present to get an idea of where the world is headed.

### A looming catastrophe

Peer-reviewed science is cautious by inclination. As yet the evidence is not strong enough to know whether the planet has passed its tipping point and begun an irreversible rise in temperature.

If the CO<sub>2</sub> and other greenhouse gases (GHGs) produced by industry and transport cannot be reabsorbed by plants it remains in the atmosphere and global warming will accelerate relentlessly.

We can measure the increase in GHGs but the relationship between these concentrations and temperature is not understood with precision.

“According to the Inter-governmental Panel on Climate Change (IPCC), the doubling of CO<sub>2</sub> in the atmosphere will raise temperature by between 1.9° and 4.5°C, with 3°C being the most likely value.” (*New Scientist* magazine, 23 October 2010).

So “if climate sensitivity is as low as 1.9°C, then it would take centuries for the planet to warm by 7°C even if we continued pumping lots of CO<sub>2</sub>. On the

other hand, if climate sensitivity is as high as 4.5°C, we could hit the 7°C point within a century.”

World temperature has already risen by 0.8°C since 1750, when it is estimated the atmospheric concentration of CO<sub>2</sub> stood at 280 parts per million (ppm). Since 1950, according to a team of scientists at Berkley Earth, land temperatures rose by 0.9°C, over which time CO<sub>2</sub> has gone up from 315ppm to 400ppm.<sup>(2)</sup>

If this reflects the actual trend, then stabilising CO<sub>2</sub> concentration at 550 ppm, rather than holding concentrations at 450 ppm, would push the Earth’s temperature up by 2.7°C, well above the UN targets of limiting the rise to 2°C.

Unfortunately action by governments and companies to stabilise GHGs is leading some scientists to conclude that we are actually heading for a 4°C rise by the 2060s or 2070s. Such an increase “would have disastrous effects, wiping out agriculture over large areas of the globe.”<sup>(3)</sup>

### Agriculture and climate change

There is a massive difference between a world that has warmed by around 2°C and one at 4°C and more. “Adapting to global warming of 4°C cannot be seen as a mere extrapolation of adaptation to 2°C; it will be a more substantial, continuous and transformative process” requiring a “new value orientation” that is “more sympathetic to cooperation” and is less materialistic, according to a recent scientific paper.<sup>(4)</sup>

Farmers cannot cope with climate change on their own. Each year a farmer makes a decision on what crops to grow and will usually hedge his or her bets by planting different crops according to the season. If the change in the pattern of weather is gradual, a farmer will build up enough experience to undertake incremental changes.

But let us suppose that the weather no longer has a recognisable pattern. Our farmer will go out of business over the course of a few planting cycles if nothing grows successfully for several years running. In fact, all the farmers in the region will be bankrupted as they will all be in the same boat.

Climate change means that farmers must hedge their bets against multiple scenarios that involve significant investments such as irrigation projects or the development of hardier seed varieties, which as stand-alone small businesses they cannot afford.

Furthermore, even if the government or a state-backed farmers’ cooperative are able to invest in agricultural technologies that address the strategic

problems, there is no guarantee that these improvements in farm resilience will prove successful over the long term.

This is because climate change implies a different pattern of land-use. The land may become so arid that only nomadic pastoralism will be successful and the arable farmers have to abandon their fields and move elsewhere if they can buy out another farmer.

In developing countries, a high proportion of people earn their living from agriculture. They are also the biggest segment of people in poverty. On their own, they cannot invest in the techniques to help them grow more crops and supply animal products for themselves and for sale. Nor do they have the capital and knowledge to change the use they make of land and water resources to adapt to climate change.

At an international symposium last year in Vienna, the FAO stated: “Agriculture can adapt to climate change by adopting farm management practices that minimise the adverse effects of increasing or decreasing rainfall and temperatures or other extreme weather conditions. Many management-level adaptation options are available to attenuate the effects of climate change on crop production, including zero tillage, retaining crop residues, extending fallows, increasing the diversity of production, altering amounts and timing of external inputs (fertilizers, water) as well as broader agronomic management strategies (e.g. altering planting density, row spacing, planting time, and introducing new germplasm resistant to heat or drought stress). ... Conservation agricultural technologies, soil conservation measures and nutrient replenishment strategies can restore soil organic matter by providing a protective soil cover and an environment conducive to vigorous plant growth. In some cases a change in the agricultural production system may be required. Significant advances have been made in recent years in our understanding of soil carbon sequestration [to reduce GHG emission], soil nutrient transformation as influenced by different fertilizers and cropping-land use systems, and soil water storage and movement.”

As a global society we are not helpless in the face of climate change. We simply lack the political means to do what could and should be done.

### Water is the new oil

Food insecurity is increasingly exacerbated by water shortages. Water shortage is an obvious problem in semi-arid and continental climate zones, where drought conditions prevail.

But droughts seem to have increased

in frequency. The Sahel region of North Africa experienced serious droughts in 1974, 1984, 2005, 2009 and 2010.

India suffered bad droughts in 2002, 2009 and 2012. Around 450 million Indians live off rain-fed agriculture.

A drought in Central and Western Europe in 2003 was followed by one in the Iberian Peninsula in 2004 and another affecting England and France in 2006. The US corn-belt was in the grip of drought in 2012, the most severe since the 1980s and 1930s. It affected 87% of the country's corn growing area and 85% of its soya production, according to the US Meteorological Service.

Amongst the worst-hit regions of the world is East Africa. There have been severe droughts in 1984, 1992, 1998, 2000, 2006, 2009, 2010 and 2011.

*The Economist* magazine commented (26 September 2009): "The drought cycle in East Africa has been contracting sharply. Rains used to fail every nine or ten years. Then the cycle seemed to go down to five years. Now, it seems, the region faces drought every two or three years. The time for recovery - for rebuilding stocks of food and cattle - is even shorter."

A similar increase in drought frequency has been seen in the Sahel. The US National Centre for Atmospheric Research forecasts a trend of increasingly severe droughts affecting the western and southern US and Mexico, the Amazon basin and the Pacific coastline from Peru to Chile, the Mediterranean region, Iran and Central Asia, China and Southeast Asia, Australia and much of Africa.

Regions north of the 45th parallel should see increasing rainfall however. Roughly speaking the northern 45th parallel lies south of the Canadian-US border, through southern France and northern Italy, southern Russia, Inner Mongolia and from the north of the Korean peninsula to the Japanese island of Hokkaido. The equivalent latitude in the southern hemisphere passes through South Island, New Zealand, and the southern tip of South America. The mid-latitude regions of the world appear most at risk from lower rainfall.

Water is already scarce for four months or more in many parts of the world, including Central Asia, Northern China, India, much of Southeast Asia, the US Mid-West, Southern Africa, Syria, Iraq and Arabia, the Caucasus, the Iberian Peninsula and North Africa.

These regions will lose water resources as global warming proceeds, according to a German study. The number of people living in the worst affected zones is 3.4 billion, almost half of the total

population of the world.<sup>(5)</sup> And this is not a problem arising in the far future; this "water stress", as the experts call it, is facing us in the next 10-40 years.

By the 2030s many countries will be seeking to import water through long-distance pipelines. The Mediterranean basin, the US Southwest and California, Central Asia and southern Russia will need water supplies from the north.

England will depend upon Scotland and southern Europe upon Scandinavia for much of their water. Massive water grids will have to be established - probably to be coordinated by the European Union, which has already quietly begun long-range planning for this, the Eurasian Union and the North American Free Trade Area (NAFTA).

India is building hundreds of new dams and canals to link the majority of

By the 2030s many countries will be seeking to import water through long-distance pipelines. ... England will depend upon Scotland and southern Europe upon Scandinavia for much of their water. Massive water grids will ... be coordinated by the European Union, which has already quietly begun long-range planning for this, the Eurasian Union and the North American Free Trade Area (NAFTA).

its river basins. China is in the middle of its huge South-North water transfer project. But bringing supplies long distance and especially by pipeline implies that people must pay for water as a commodity.

Water is heavy and pumping requires energy, which can be provided from reliable hydroelectric and nuclear power plants. The traditional model whereby water was supplied from the same river basin in which people lived will be replaced by national and international water grids.

Agriculture uses about 70% of all water we consume (310 trillion litres a year). The proportion has fallen from 90% as a result of rising demand from industry and cities. But by 2030 it is estimated that farmers will need 45% more water or 450 trillion litres a year.<sup>(6)</sup>

At the moment, many farmers are relying on water drawn from underground aquifers. High usage rates are depleting aquifers, although there remain vast water reserves on every continent. The problem lies with unsustainable extraction which means that the aquifer cannot recharge itself.

Depletion is especially rapid in middle latitudes as a result of high extraction by farmers. Water must be pumped from deeper and deeper reserves. The existing accessible, reliable and sustainable supply of fresh water is estimated as being 420 trillion litres a year.

If total demand for water goes up to 690 trillion litres a year by 2030, including withdrawals for industry and households, it is obvious that we will be drawing water from much deeper aquifers and doing so unsustainably.

Access to fresh, clean, safe water is not available in many parts of the developing world, with 2.5 billion people lacking proper sanitation, especially in the countryside. In poor families, women and children collect water - sometimes waste water from drains and ditches and usually contaminated with bacteria, pathogens and parasites - and carry it home for drinking, cooking and cleaning.

Among better-off urban families it is already common to pay private suppliers for their water, sometimes from illegal boreholes. Water supply from public utilities is subject to frequent cuts.

Water is quite literally becoming the new oil - it is being extracted from ever-deeper wells and will be distributed by long-distance pipelines. As demands on fresh water resources rise, desalination will become more common in order to supplement supplies from the oceans.

### The impact on the oceans

Lastly, we must not forget that fossil fuel emissions are turning the seas more acidic. At the third international symposium on the ocean in a high CO<sub>2</sub> world, held in 2012, scientists presented estimates of the impacts on fisheries.

Seafood is the prime source of protein for one billion people, especially for island nations in the Maldives, the Comoros, the Marshall Islands, and the Solomon and Micronesian archipelagos.

Tropical coastlines where coral reefs form part of the food chain are threatened by acidification. Fish are already an endangered resource, making fisheries especially vulnerable to collapse if the food chain is disrupted. The global fishing fleets could find their fisheries denuded of stock.

Governments are aware of the risks posed by global warming. The Organisation for Economic Co-operation and



Summer time in Antarctica: near the coast December is fairly temperate

Keeping cool in the heat matters ... this is easier in a dry atmosphere as the sweat can evaporate. ... life could become intolerable during heat waves if global warming hits 7°C. People would have to migrate. Some climate models predict that the global north beyond the 45th parallel will prove to be the best refuge for humanity. New cities will ring the Arctic Ocean and colonies will settle in Antarctica!

Development, representing most of the advanced industrial economies, recently stated: "Climate change impacts on ecosystems will occur through dramatic state shifts as 'tipping points' are crossed as well as through gradual deterioration. Evidence from recent studies by paleoecologists suggests that climate change may not simply result in mass migration of species, but instead, reshuffle into novel 'no analogy' ecosystems unknown today."<sup>(7)</sup>

Around 90% of people in the world live between the 45th parallel to the north and south of the Equator. Human habitation at the Equator may become unbearable. The human body maintains a temperature of around 37°C, but if this rises much above 42°C we die.

Keeping cool in the heat matters and this is easier in a dry atmosphere as the sweat can evaporate. The high humidity of the Tropics means that life could become intolerable during heat waves if global warming hits 7°C. People would have to migrate. Some climate models predict that the global north beyond the 45th parallel will prove to be the best refuge for humanity.<sup>(8)</sup> New cities will ring the Arctic Ocean and colonies will settle in Antarctica!

As global warming alters the climate, agricultural production will suffer. The result, in a world where there is already huge inequality in income and nutrition, will be recurring famine.

We will face problems in Britain for sure, but as we are to the north of the 45th parallel it looks like we are in one of the better placed locations on the planet to adapt to global warming. However, while we may avoid a food crisis, we will

still have to tackle a water crisis.

#### Past lessons

To prepare a class response we should, perhaps, recall the days in the seventeenth and eighteenth centuries when 20% of the British population went hungry even in good times.

Historian E P Thompson chronicled the direct action taken by the common folk of England to protect their access to food during periods of dearth.

Through the distribution of anonymous handbills and posters, marches, blockades and 'riotous assembly' crowds intimidated rich farmers, millers and merchants into bringing grain to market and lowering prices to affordable levels.

The crowds tried to force the lords lieutenant and magistracy to apply the old laws - the Book of Orders - from Tudor times that prohibited speculation and price rigging by engrossers, factors, forestallers, hucksters, jobbers and laders.

In so doing the poor incurred the criticism of moral philosophers like Adam Smith, Edmund Burke and Thomas Malthus who advocated laissez-faire. Thompson went on to describe how these liberal ideas were exported to India with pernicious effect.<sup>(9)</sup>

There, as Nobel Prize-winning economist Amartya Sen has shown, famine was exacerbated by British reluctance to intervene in the market to prevent the export of grain and rice and to control prices.<sup>(10)</sup> We can expect a repeat of the same arguments in favour of 'letting the market work' from today's neo-liberals, not to mention condemnation of any protest action by people unable to afford basic sustenance.

They aim to turn water into a commodity and unless we can return the water companies to public ownership we could find ourselves paying a very high price for these essential supplies.

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# Seven myths about the Soviet Union

Posted in Communism, Socialism, Soviet Union by *what's left* on December 23, 2013.

By **STEPHEN GOWANS**

The Soviet Union was dissolved 22 years ago, on December 26, 1991. It's widely believed outside the former republics of the USSR that Soviet citizens fervently wished for this; that Stalin (pictured) was hated as a vile despot; that the USSR's socialist economy never worked; and that the citizens of the former Soviet Union prefer the life they have today under capitalist democracy to, what, in the fevered parlance of Western journalists, politicians and historians, was the repressive, dictatorial rule of a one-party state which presided over a sclerotic, creaky and unworkable socialist economy. None of these beliefs is true.

## Myth 1

The Soviet Union had no popular support. On March 17, 1991, nine months before the Soviet Union's demise, Soviet citizens went to the polls to vote on a referendum which asked whether they were in favor of preserving the USSR. Over three-quarters voted yes. Far from favoring the breakup of the union, most Soviet citizens wanted to preserve it.<sup>(1)</sup>

## Myth 2

Russians hate Stalin. In 2009, Rossiya, a Russian TV channel, spent three months polling over 50 million Russians to find out who, in their view, were the greatest Russians of all time.

Prince Alexander Nevsky, who successfully repelled an attempted Western invasion of Russia in the 13th century, came first. Second place went to Pyotr Stolypin, who served as prime minister to Tsar Nicholas II, and enacted agrarian reforms.

In third place, behind Stolypin by only 5,500 votes, was Joseph Stalin, a man that Western opinion leaders routinely describe as a ruthless dictator with the blood of tens of millions on his hands.<sup>(2)</sup> He may be reviled in the West, not surprisingly, since he was never one after the hearts of the corporate

grandees who dominate the West's ideological apparatus, but, it seems, Russians have a different view - one that fails to comport with the notion that Russians were victimized, rather than elevated, by Stalin's leadership.

In a May/June 2004 Foreign Affairs article, *Flight from Freedom: What Russians Think and Want*, anti-communist Harvard historian Richard Pipes cited a poll in which Russians were asked to list the 10 greatest men and women of all time.

The poll-takers were looking for significant figures of any country, not just Russians. Stalin came fourth, behind Peter the Great, Lenin, and Pushkin ... much to Pipes' irritation.<sup>(3)</sup>

## Myth 3

Soviet socialism didn't work. If this is true, then capitalism, by any equal measure, is an indisputable failure.

From its inception in 1928, to the point at which it was dismantled in 1989, Soviet socialism never once, except during the extraordinary years of World War II, stumbled into recession, nor failed to provide full employment.<sup>(4)</sup>

What capitalist economy has ever grown unremittently, without recession, and providing jobs for all, over a 56 year span (the period during which the Soviet economy was socialist and the country was not at war, 1928-1941 and 1946-1989)?

Moreover, the Soviet economy grew faster than capitalist economies that were at an equal level of economic development when Stalin launched the first five year plan in 1928 - and faster than the US economy through much of the socialist system's existence.<sup>(5)</sup>

To be sure, the Soviet economy never caught up to or surpassed the advanced industrial economies of the capitalist core, but it started the race further back; was not aided, as Western countries were, by histories of slavery, colonial plunder, and economic imperialism; and was unremittently the object of Western,

and especially US, attempts to sabotage it.

Particularly deleterious to Soviet economic development was the necessity of diverting material and human resources from the civilian to the military economy, to meet the challenge of Western military pressure.

The Cold War and arms race, which entangled the Soviet Union in battles against a stronger foe, not state ownership and planning, kept the socialist economy from overtaking the advanced industrial economies of the capitalist West.<sup>(6)</sup>

And yet, despite the West's unflagging efforts to cripple it, the Soviet socialist economy produced positive growth in each and every non-war year of its existence, providing a materially secure existence for all. Which capitalist economy can claim equal success?

## Myth 4

Now that they've experienced it, citizens of the former Soviet Union prefer capitalism. On the contrary, they prefer the Soviet system's state planning, that is, socialism.

Asked in a recent poll what socio-economic system they favor, Russians answered<sup>(7)</sup>:

- State planning and distribution, 58%
- Private property and distribution, 28%
- Hard to say, 14%
- Total, 100%

Pipes cites a poll in which 72% of Russians "said they wanted to restrict private economic initiative."<sup>(8)</sup>

## Myth 5

Twenty-two years later, citizens of the former Soviet Union see the USSR's demise as more beneficial than harmful. Wrong again.

According to a just released Gallup poll, for every citizen of 11 former Soviet republics, including Russia, Ukraine and Belarus, who thinks the breakup of the Soviet Union benefited their country, two think it did harm.

And the results are more strongly skewed toward the view that the breakup was harmful among those aged 45 years

and over, namely, the people who knew the Soviet system best.<sup>(9)</sup>

According to another poll cited by Pipes, three-quarters of Russians regret the Soviet Union's demise<sup>(10)</sup> - hardly what you would think of people who were reportedly delivered from a supposedly repressive state and allegedly arthritic, ponderous economy.

### Myth 6

Citizens of the former Soviet Union are better off today. To be sure, some are. But are most?

Given that more prefer the former socialist system to the current capitalist one, and think that the USSR's breakup has done more harm than good, we might infer that most aren't better off - or at least, that they don't see themselves as such.

This view is confirmed, at least as regards life expectancy. In a paper in the prestigious British medical journal, *The Lancet*, sociologist David Stuckler and medical researcher Martin McKee, show that the transition to capitalism in the former USSR precipitated a sharp drop in life-expectancy, and that "only a little over half of the ex-Communist countries have regained their pre-transition life expectancy levels."

Male life expectancy in Russia, for example, was 67 years in 1985, under communism. In 2007, it was less than 60 years. Life expectancy plunged five years between 1991 and 1994.<sup>(11)</sup>

The transition to capitalism, then, produced countless pre-mature deaths - and continues to produce a higher mortality rate than likely would have prevailed under the (more humane) socialist system.

A 1986 study by Shirley Ciresto and Howard Waitzkin, based on World Bank data, found that the socialist economies of the Soviet bloc produced more favorable outcomes on measures of physical quality of life, including life expectancy, infant mortality, and caloric intake, than did capitalist economies at the same level of economic development, and as good as capitalist economies at a higher level of development.<sup>(12)</sup>

As regards the transition from a one-party state to a multi-party democracy, Pipes points to a poll that shows that Russians view democracy as a fraud. Over three quarters believe "democracy is a facade for a government controlled by rich and powerful cliques."<sup>(13)</sup> Who says Russians aren't perspicacious?

### Myth 7

If citizens of the former Soviet Union really wanted a return to socialism, they would just vote it in.

If only it were so simple.

Capitalist systems are structured to deliver public policy that suits capitalists, and not what's popular, if what's popular is against capitalist interests. Obamacare aside, the United States doesn't have full public health insurance. Why not? According to the polls, most Americans want it. So, why don't they just vote it in?

The answer, of course, is that there are powerful capitalist interests, principally private insurance companies, that have used their wealth and connections to block a public policy that would attenuate their profits.

What's popular doesn't always, or even often, prevail in societies where those who own and control the economy can use their wealth and connections to dominate the political system to win in contests that pit their elite interests against mass interests.

As Michael Parenti writes, "Capitalism is not just an economic system, but an



**1935: Stalin with Red Army General, Kliment Voroshilov**

entire social order. Once it takes hold, it is not voted out of existence by electing socialists or communists. They may occupy office but the wealth of the nation, the basic property relations, organic law, financial system, and debt structure, along with the national media, police power, and state institutions have all been fundamentally restructured."<sup>(14)</sup>

A Russian return to socialism is far more likely to come about the way it did the first time, through revolution, not elections - and revolutions don't happen simply because people prefer a better system to the one they currently have.

Revolutions happen when life can no longer be lived in the old way - and Russians haven't reached the point where life as it's lived today is no longer tolerable.

Interestingly, a 2003 poll asked Rus-

sians how they would react if the Communists seized power. Almost one-quarter would support the new government, one in five would collaborate, 27% would accept it, 16% would emigrate, and only 10% would actively resist it.

In other words, for every Russian who would actively oppose a Communist take-over, four would support it or collaborate with it, and three would accept it<sup>(15)</sup> - not what you would expect if you think Russians are glad to get out from underneath what we're told was the burden of communist rule.

So, the Soviet Union's passing is regretted by the people who knew the USSR first hand (but not by Western journalists, politicians and historians who knew Soviet socialism only through the prism of their capitalist ideology.) Now that they've had over two decades of multi-party democracy, private enterprise and a market economy, Russians don't think these institutions are the wonders Western politicians and mass media make them out to be.

Most Russians would prefer a return to the Soviet system of state planning, that is, to socialism.

Even so, these realities are hidden behind a blizzard of propaganda, whose intensity peaks each year on the anniversary of the USSR's passing.

We're supposed to believe that where it was tried, socialism was popularly disdained and failed to deliver - though neither assertion is true.

Of course, that anti-Soviet views have hegemonic status in the capitalist core is hardly surprising. The Soviet Union is reviled by just about everyone in the West: by the Trotskyists, because the USSR was built under Stalin's (and not their man's) leadership; by social democrats, because the Soviets embraced revolution and rejected capitalism; by the capitalists, for obvious reasons; and by the mass media (which are owned by the capitalists) and the schools (whose curricula, ideological orientation and political and economic research are strongly influenced by them.)

So, on the anniversary of the USSR's demise we should not be surprised to discover that socialism's political enemies should present a view of the Soviet Union that is at odds with what those on the ground really experienced, what a socialist economy really accomplished, and what those deprived of it really want.

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Continued on page 14

# When grandchildren want to go to the zoo

Translated and slightly abridged from the German journal *Rotfuchs* by Pat Turnbull

By **EDGAR KOBI**

According to UNICEF statistics about 1.7 million children in the Federal Republic of Germany live below the poverty line.

That's bad enough but the fact that in the east - the former German Democratic Republic (GDR) - the level of child poverty is almost twice as high as in West Germany (23.7% compared to 12.4%) proves what a lie it is to talk about the so-called upturn in the east. Similar parallels exist in the percentage of people unemployed.

I am going to omit the further impoverishment process through the current price rises in basic foodstuffs and charges and concentrate on the opportunities for children to enjoy leisure time on the territory of the former GDR as it is now and was then.

We have three grandchildren of nine, five and three years old. They might fancy a visit to the zoo. So what, you might say. Go on! Unfortunately a visit that was no problem in GDR times is a bit more of a challenge now.

Greifswald has a lovely little zoo with about 30 species of animal. If it was only a matter of looking at them, it would take about an hour. Although the

entry charges are comparatively not really excessive, in our case they turn out to be impossible.

To demonstrate by example: the entry for two adults is 7 Euros, for three children over three years old another 6 Euros. In addition there are the tickets on the bus there and back for two adults (6.80 Euros) and for three children (7.20 Euros). Sum total: 27 Euros.

**ROT FUCHS**  
TRIBUNE FÜR KOMMUNISTEN UND SOZIALISTEN IN DEUTSCHLAND

So that the children won't come up with the idea of buying food for the animals, we have collected biscuits and ends of baking. We've also got a thermos flask of coffee and home pressed apple juice for the children. We'll need to provide for ice cream, which makes our projected costs 30 Euros.

To take them to the cinema practically demands bourgeois wealth. The ticket for a children's showing costs normally about 4.80 Euros and if the film is longer another Euro on top.

If Granny and Grandpa go too we can get a five-person ticket, costing at

least 24 Euros. The bus costs an additional 14 Euros, so we're already up to 38 Euros before even having bought a bag of popcorn.

It's true that some savings can be made if everything is booked well in advance. But who does that, when the children have the habit of spontaneously voicing their wishes and expecting them to be immediately fulfilled?

Does anybody still remember that in the GDR a child cinema ticket cost a whole 55 pfennigs, and 1.25 marks for adults, while the bus cost 20 pfennigs per journey?

If I go on to compare prices for a visit to the circus or the swimming pool, and remember the tiny costs of children's holiday provision, it is impossible not to see the socialist system and the state which ran it as the more human - and child-friendly.

Capitalism can't compete, despite any number of pious statements about human rights. I can already hear critics who say these low prices were achieved by being held back from wages. That may be so.

But this 'holding back' was to the benefit of everyone's own children and grandchildren. You could even say that this 'section of wages' could not be used in any other way, because it was reserved only for the advantage of children, linked to its purpose.

## Seven myths about the Soviet Union

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# Cold War tales of US spies and sabotage

**GREG KASER** reviews a new history of the people's democracies at the start of the Cold War.

Anne Applebaum, 2012, *Iron Curtain: The crushing of Eastern Europe 1944-1956*, pages 627, London: Allen Lane, £25.

We are by now used to Hollywood's version of the history of the Second World War, in which American heroes appear as the only ones ready and able to halt the Nazi villains on their march towards world domination.

In her new history, *Iron Curtain: The crushing of Eastern Europe 1944-1956*, Anne Applebaum examines the early years of the Cold War. Her aim is to understand the institutional and psychological foundations of 'totalitarian regimes'. She wants to find out why people went along with it? And, like Hollywood villains, communists are the bad guys.

Applebaum's concerns reflect those of neo-conservatives. A central theme in the neo-conservative polemic is an attempt to explain how a society holds together against external threats and internal factors, such as 'welfare dependency', which it sees as detrimental to a nation's cohesion.

She is a columnist on the *Washington Post* and director of political studies at the Legatum Institute, which is "dedicated to the promotion of open economies and democracy".<sup>(1)</sup> The Legatum Institute is part of the Legatum investment group, based in Dubai, founded by billionaire Christopher Chandler. She has also enjoyed a fellowship at the pro-business American Enterprise Institute, which has a clear neo-conservative bent.

## Totalitarianism in theory

The Cold War was kicked off with a lecture given by Winston Churchill (above) at Fulton, Missouri, in March 1946.



**1951 - Churchill with US General, Eisenhower and British Field Marshal, Montgomery at a meeting of the newly formed NATO**

He warned that communists were "seeking everywhere to obtain totalitarian control" and that "an iron curtain" had descended across Europe. The word "totalitarismo" had been coined by Mussolini to characterise his fascist regime, where "everything [is] within the state".

The term was then adopted by liberals to define what they opposed during the War and thereafter to justify continuing the conflict through other means. In order to anchor her account within a history of 'totalitarian tyranny', Applebaum repeatedly calls the liberation of Central and Eastern Europe a 'Soviet occupation'.

There are fifteen references to Soviet occupation in the book and only one to its liberation. The repetition has a purpose. It sets up the liberal case in two ways. Firstly, communism is equated with fascism. For every feature of fascism, there is a 'communist' equivalent.

For the Gestapo, read NKVD; for genocide, ethnic cleansing; nationalism and xenophobia have a parallel with internationalism and subversion; and, of course, there is Hitler compared to Stalin.

This leads into the second track of the narrative on totalitarianism. Communism and fascism are seen as false doctrines, with false gods, which people must be duped or coerced into accepting.

At the book's launch on 10 December 2012 in London, Applebaum asserted that the 'building blocks' of the communist system were extra-legal detention; political control of the mass media

and civil society; the undermining of traditional power structures in the countryside through land reform; and the widespread use of "Marxist language".

She was especially puzzled by the dominance of Marxist vocabulary in the archives that she consulted while researching her book. Actually, until the 1930s, German culture was admired throughout Europe. It was quite usual in the social sciences, philosophy and history to use the same vocabulary which was the legacy of Leibniz, Kant, Hegel, Weber, and, of course, Marx.

People used this language not because they were forced to but because it enabled them to express their aims for their countries' social and economic development. She admits that "the language the authorities used was very appealing" but does not say why.

In any case the track Applebaum follows leaves a crucial issue unaddressed. For even if the majority of the population were either duped or coerced, why did some still choose to become communists?

Applebaum cannot tackle this question without undermining her story. She simply tells us that communists were "fanatics". Communists, she is asserting, believe in Marxism without regard for the facts. And Marxism is a 'totalizing' philosophy, as post-structuralist theorists try to portray it.

It provides a complete theory that cannot be disproved on its own terms, similar to a religion. Thus the totalitarian impulse is inherent within Marxism. Communists are totalitarians because their philosophy is totalizing. This is, of course, mere tautology.

## Transition to socialism

'Iron Curtain' concentrates on Germany, Hungary and Poland. Over its 600 or so pages Applebaum presents six years of diligent research on the establishment and subsequent social history of the people's democracies.

Despite its inconsistencies the book pulls few punches. "Capitalism and liberal democracy", she writes, "had failed catastrophically in the 1930s. Many believed it was time to try something

different.” It provided an opportunity for European socialist and agrarian parties to build a fairer and more peaceful society.

Unwilling to open up a second front in Europe until 1944, the Western Allies accepted that the task of liberating Central Europe would fall to the Red Army. The USSR would reach Berlin first and thus be in a position to control the region. Washington even reined in the more aggressive inclinations of Churchill and General Patton to advance into Czechoslovakia and Hungary.

The USA had other fish to fry, notably in the Pacific theatre. Roosevelt wanted the USSR to open a second front in Asia to free Japanese-occupied Manchuria and Korea.

When Churchill and Stalin met in Moscow in October 1944 they agreed privately that in order to meet the USSR's legitimate security concerns, Soviet “influence” should predominate in the Balkans and Hungary, with the exception of Greece, where British “influence” would be exerted.

The following year, at Potsdam, President Truman, Stalin, and the British and French established post-War frontiers for the USSR, Poland and Germany, and agreed to administer Germany, Austria and Hungary jointly.

Expecting a further confrontation with Britain, and possibly the USA, Applebaum describes how Stalin assembled his assets to ensure that the liberated nations would form friendly governments and prevent a resurgence of fascism.

She gathers a great deal of fascinating detail from interviews and contemporary private correspondence on how a cadre of Party officials and Chekists was trained and mobilised; how radio stations were established to broadcast news, commentary and entertainment and to promote national cultural revival; and how the unity amongst parties constructed to wage the war formed the basis for building the peace.

Unified socialist parties were created between 1946 and 1948: the Socialist Unity Party of Germany, the Hungarian Workers' Party and the Polish United Workers' Party. In the Balkans, national front governments quickly took control in the wake of German and Italian defeats.

“In the immediate aftermath of the war, almost all of the political parties operating in Europe advocated policies which, by modern standards, were very left wing”, Applebaum writes. “Even the centre-right Christian democrats in West Germany and the Conservatives in Britain were willing to accept a heavy role for the state in the economy in the

Results of national elections in Europe 1944-1947 (Percentage of Total Votes)

Country: Election Date	Comm	Soc Dem	Agrarian	Christ Dem	Lib/Cons	Nationalist	Other
Albania: Dec 45	93.7			:	:	:	6.3
Austria: Nov 45	5.4	44.6	-	49.8	0.2	-	-
Belgium: Feb 46	12.7	31.6	-	46.3	8.9	-	0.5
Bulgaria: Oct 46	53.9	1.9	41.7	-	0.7	1.7	-
Czechoslovakia: May 46	38.1	12.8	-	16.6	18.4	14.1	-
Denmark: Oct 45	12.5	32.8	-	3.1	49.7	-	1.9
Finland: Mar 45	23.5	25.7	22.5	-	28.1	-	0.2
France: Oct 45	26.1	34.9	-	24.9	-	13.3	0.9
France: June 46	26.0	32.8	-	28.2	-	12.8	0.2
France: Nov 46	28.3	29.0	-	25.9	-	16.0	0.8
West Germany: 46-47‡	9.9	37.6	2.1	37.8	9.9	1.6	1.1
West Germany: Aug 49	5.7	29.2	-	34.1	11.9	10.4	8.7
East Germany: Oct 49	66.1					:	33.9
Greece: Mar 46†	-	19.3	0.7	0.1	69.5	8.9	1.5
Hungary: Nov 45	17.0	17.4	63.9	-	1.7	-	-
Hungary: Aug 47	22.3	14.9	23.6	1.4	7.9	29.9	-
Iceland: June 46	19.5	17.8	23.1	-	39.5	-	0.1
Ireland: May 44	-	11.5	10.1	-	20.5	48.9	9.0
Italy: June 46	18.9	22.3	0.4	35.4	16.9	1.2	4.9
Italy: Apr 48	31.0	7.1	0.4	48.5	6.3	2.7	3.9
Luxembourg: Oct 45	11.1	23.4	-	44.7	19.2	-	1.7
Norway: Oct 45	11.9	41.0	8.0	7.9	30.8	-	0.3
Poland: Jan 47	80.1			18.5	-	-	1.4
Romania: Nov 46	68.7		15.0*	-	3.7	8.2	4.4
Sweden: Sept 44	10.5	46.6	13.6	-	28.7	0.2	0.3
Switzerland: Oct 47	5.1	26.2	15.0	22.1	26.2	-	5.4
United Kingdom: July 45	0.4	50.4	-	-	48.5	0.5	0.2
Yugoslavia: Nov 45	88.6			:	:	:	11.4

‡ Consolidated results from state level elections

† Election boycotted by Communists

\* Peasants' parties outside the Block of Democratic Parties led by the Romanian Workers' Party

late 1940s, up to and including nationalisation of some industries. Across the continent, just about everyone advocated the creation of extensive welfare states. Communist parties had done very well in European elections in the past, and seemed poised to do so again.”

Indeed, the Left – socialist and agrarian parties – gained a majority of the popular vote throughout Central Europe, the Balkans and the Nordic countries in elections held between 1944 and 1947 (see table above).

To be sure, right-wing parties won clear majorities in Belgium, Denmark, Greece (where communists boycotted the poll), Ireland, Italy, Luxembourg and the Netherlands.

But socialist parties secured a majority in Czechoslovakia, France, Norway, Sweden and the UK. In Western Germany, in the regional landtag elections,

Left and Right emerged neck and neck nationwide, as was the case in Austria and Switzerland. National front lists gained overwhelming support in Albania, Bulgaria, Poland, Romania and Yugoslavia.

Communists secured over 20 per cent of the vote in Bulgaria, Czechoslovakia, Finland, France and Hungary; and between 10 and 20 per cent in Belgium, Denmark, Iceland, Italy, the Netherlands, Norway, Luxembourg and Sweden.

This decisive shift in the public mood to the left provided the popular base for deep and wide-ranging reforms. Applebaum admits this but then neglects to examine the dynamic it set in train during the Cold War.

### Reaction

It did not take long for Washington to

react to the threat that the Left's gains posed for capitalism in Europe and Asia. President Truman (pictured) made a show of attending Churchill's lecture.

The attempt to rollback socialism had begun. In Asia, the US supported military means (China, Korea and Vietnam), but in Europe the preferred tools were economic measures backed by clandestine warfare.

In March 1947, Truman addressed the Congress on the pressing need to combat "totalitarian regimes" and asserted what came to be known as the Truman doctrine: US assistance for the "protection of free peoples everywhere".

In June, Marshall Aid was announced to help Europe to rebuild. In July, the National Security Act was passed setting up the President's National Security Council and the Central Intelligence Agency (CIA).

In December, the US Department of Commerce embargoed the export of strategic goods and the transfer of technology to the socialist countries and denied them access to trade finance.

Allen Dulles, later to be appointed CIA Director, was asked by Truman to develop a covert programme to break-up the socialist bloc through internal political conflict in 1948.<sup>(2)</sup>

The CIA spent a billion dollars between its foundation and 1955.<sup>(3)</sup> It funded guerrilla groups in Albania, the Baltic States, Poland, Ukraine and China well into the 1950s. A small army of exiles was assembled in Germany, the Volunteer Freedom Corps, ready to intervene in Czechoslovakia, Hungary, Poland and Romania should an uprising occur.<sup>(4)</sup>

It shipped millions of dollars in gold into Poland to support paramilitary operations, only to discover that its agents had already been rounded up.<sup>(5)</sup>

It funded Radio Free Europe, which featured Colonel Bell (Ladislav Farago), who broadcast regularly telling listeners of the supposed successful sabotage operations carried out by Western agents.

The CIA could count on British help. Journalist Stewart Steven says that the British Secret Intelligence Service operated a network in Poland that "became the hub of the huge anti-Communist anti-Russian resistance movement ... [in which] sabotage and terrorism were almost daily occurrences. [It] sparked off, for example, an enormous run on the shops by spreading stories of shortages; rural riots, by letting it be known that the farms of peasants were to be collectivised; or angry sermons from the nation's pulpits, by suggesting that holy places were to be desecrated".<sup>(6)</sup>

Applebaum is clearly aware of this

destabilisation activity, as she refers in passing to a 1946 attack on police near Krakow, but is otherwise silent.

### The Field case

Applebaum also misrepresents the Noel Field affair. She claims that Field, an American and alleged Trotskyist, was fitted up by "Soviet secret policemen" as the link between "the traitors of Prague, Budapest, Berlin and Warsaw", who were put on trial between 1949 and 1953.

It seems that at least two of those 'secret policemen' were actually Western agents: a Pole, Jozef Swialto, recruited by the British in 1948, and a Czechoslovakian, working for the Gehlen Organisation (former German military intelligence).<sup>(7)</sup> Steven outlines the Western plot to sow seeds of suspicion within communist ranks in his book 'Operation Splinter Factor'.



Truman



Eisenhower

### US Cold War commanders-in-chief

Noel Field had, in his own words, worked "alongside the NKVD" since 1927 as an official in the US State Department.<sup>(8)</sup> There, he met and became friendly with Allen Dulles. In 1936 Field left the US for a posting at the League of Nations in Geneva, where, perhaps coincidentally, Dulles was also employed as a legal advisor.

By the late 1930s Field was organising assistance to refugees from the Spanish Civil War and helping Republicans and members of the International Brigades evade capture by Franco's forces. After the USA entered the War, Dulles, now running the Office of Strategic Services (OSS) from Geneva, channelled funding through Field's refugee support network to partisans in Nazi-occupied Europe.

Ostensibly Field was working for an American charity, the Unitarian Service Committee, and when, sometime after the War had ended, this work came to an end, he was looking for another job. Bizarrely, he applied for academic positions at universities in Prague and Warsaw and began looking up his old

comrades, who were now in senior government posts.

Whether Field was trying to reactivate his old network is unclear. It must be borne in mind that at this stage the CIA was reliant upon British agents and the Gehlen Organisation for its intelligence, having almost no agents on the ground of its own.

The old contacts Field had from his OSS days would have been a good starting point for recruitment. More likely, in my opinion, Field was seeking to set up a 'back channel' through which communists with an International background could communicate with Washington if necessary.

Top leadership positions were occupied by so-called 'Moscow communists' but their deputies were often 'locals', who had worked underground during the War in their own countries along with the 'Internationals', with a history of activism in Spain or elsewhere.<sup>(9)</sup>

Yugoslavia had just broken ranks – "Tito may be a scoundrel", British Foreign Secretary Bevin said "but he's our scoundrel" – and more might be encouraged to follow.<sup>(10)</sup>

Be that as it may, Field was arrested in Prague in May 1949 and brought to Budapest for interrogation. At that point, Dulles and the CIA secretly let Moscow know that Field was their man.

Field was never tried for espionage, however in 1954 – under President Eisenhower (pictured) – he was released from custody. He and his wife were paid \$40,000 in compensation for wrongful imprisonment and they settled in Budapest until his death in 1970.<sup>(11)</sup>

Dulles helped the Fields' adopted daughter obtain a US visa to re-join her American husband, on her release from an Arctic labour camp, as she had also been detained on a visit to Berlin to discover what had happened to her adoptive parents.

If the information Steven reveals about Operation Splinter Factor is correct, then Dulles had mounted an audacious coup that compromised a large number of 'local' and 'International' communist leaders.

Field's numerous contacts were accused of being part of a widespread Titoist-Zionist-imperialist conspiracy. His alleged espionage ring ensnared Laszlo Rajk in Hungary, Paul Bertz and Paul Merker in Germany, Traicho Kostov in Bulgaria, Lucretiu Patrascanu in Romania, and Vladimir Clementis, Otto Sling and Rudolf Slansky in Czechoslovakia.

Applebaum sees these trials as the result of Stalin's supposed paranoia.

In fact, it was Washington's mole in



the Polish Ministry of Public Security, Jozef Swialto, deputy director of Department 10, which was responsible for the communist party's own security, who had first raised the alarm about Field's activities, interrogated him in Budapest, and later made strenuous efforts to implicate Wladyslaw Gomulka in Field's supposed network. Swialto defected to the US in 1953.<sup>(12)</sup>

The defection, in Steven's account, prompted an immediate re-examination of the Field case, resulting in his exoneration and release. It also led to the rehabilitation of many of those imprisoned or executed.

One such was Laszlo Rajk. On 6 October 1956 his body was reburied in the Kerepesi Cemetery alongside Hungary's national heroes. Thousands attended the event and speeches were made denouncing the 'cult of personality', echoing Khrushchev's words a few months earlier to the 20th Soviet Communist Party Congress.<sup>(13)</sup>

Over the next month, there were further demonstrations and armed groups began attacking police stations and Soviet forces stationed in the country. Demonstrations quickly spread to Poland and Romania.

On 30 October, President Eisenhower made it clear that the US would not attempt to incorporate Hungary into NATO if it became neutral, like Austria and Finland, under a "national communist" government.

The new government headed by Imre Nagy swiftly obliged and on 1 November announced that Hungary was now a neutral country and was withdrawing from the Warsaw Pact.

As fighting continued, the CIA's army of exiles was mobilised in support of the uprising.<sup>(14)</sup> The Red Army, nonetheless, managed to contain the conflict by November 8th with reinforcements brought in from Romania and Ukraine. The consequences of Western destabilisation had been far reaching, even if they turned out to be largely unsuccessful.

### Interconnections

The clandestine war waged by Western secret services necessitated the strengthening of the system of popular vigilance in the people's democracies, but it also had repercussions in capitalist countries.

The security agencies in the West reasoned that if they were fanning dissection in the socialist bloc then the USSR must be playing the same game.

They saw the hand of Moscow behind every manifestation of working class militancy and set up their own systems of police surveillance of trade unions and political parties. In the socialist countries

everyday grumbles could be manipulated to look like dissent.

When Applebaum states that "by trying to control every aspect of society", communist parties "turned every aspect of society into a potential form of protest" she is partially correct. What she omits to mention is how this was, and has been, used by pro-market propagandists to discredit the achievements made under socialism.

Events were intertwined in many other ways. After Truman's speech, Stalin met Czechoslovak leaders in June 1947. He told them that the USA was "trying to isolate the Soviet Union" and was forming a "Western bloc" to split the unified international camp formed to fight fascism in 1942.<sup>(15)</sup>

In response, the old Communist International, which had been dissolved in 1943 at Washington's behest, was resurrected as the Communist Information Bureau (Cominform) to coordinate communist tactics and strategy in Europe "for a lasting peace and people's democracy".

The following year, 1948, the Organisation for European Economic Cooperation (now called the OECD) was founded to disburse \$13 billion of Marshall Aid. That led to the setting up of the Council for Mutual Economic Assistance in 1949.

The NATO alliance of 1949 stimulated the signing of the Warsaw Pact in 1955, following the failure to negotiate a general treaty on collective security in Europe. Conversely, the creation of a comprehensive system of social protection in the people's democracies meant that the social insurance schemes in the West were strengthened and improved.

But there was also wasteful competition between the blocs: the space race, the arms race, and damaging subsidies, which created butter mountains in the EU or bread so cheap that it was used by boys in Eastern Europe as footballs.

A common theme of the protests of 1956 and earlier (Eastern Germany in 1953) was an attack on the symbols of Russian tutelage.

Demonstrators supported leaders – like Nagy and Gomulka – who represented a more national 'road to socialism'. The international working class movement took this lesson to heart over the next three decades, sometimes with curious results (for instance, 'Euro-communism').

Nevertheless a degree of political stability fostered impressive economic and social development in the people's democracies. It is an important story for socialists to reflect upon.

By contrast, Anne Applebaum pres-

ents the region's history at an elementary level. We learn very little about working class experiences and attitudes from her interviewees (probably because she did not talk to enough factory workers and peasant farmers during her research).

'Nationalistic' views are quite common among working class people in Europe and these attitudes clearly shaped both the early establishment of national front governments and the later counter-revolutionary disturbances.

As argued already, the interconnections between the capitalist states and the socialist camp have also to be explored. The full history of the people's democracies is yet to be written.

### FOOTNOTES

1. From the Legatum Institute's website: [www.li.com](http://www.li.com).

2. Stewart Steven, 1976, *Operation Splinter Factor*, St Albans: Panther: pp. 62-63; Victor Marchetti and John D Marks, 1974, *The CIA and the cult of intelligence*, New York: Dell: p. 45; and John Ranelagh, 1986, *The Agency: The rise and decline of the CIA*, London: Weidenfeld & Nicolson: pp. 164-7 and 199.

3. Marchetti and Marks, 1974: p. 46.

4. The operation was code named Red Sox/Red Cap and was apparently under the control of the US Army's Counter Intelligence Corps; see Ranelagh, 1986: p. 287.

5. Ranelagh, 1986: p. 227.

6. Steven, 1976: pp. 32 and 90.

7. Steven, 1976: pp. 40 and 167; see also Wilfred Burchett, 1981, *At the Barricades: The memoir of a rebel journalist*, London: Macmillan: pp. 148-150.

8. Anne Applebaum, 2012, *Iron Curtain: The crushing of Eastern Europe 1944-1956*, London: Allen Lane: p. 305.

9. Anne Applebaum, 2012: pp. 51-52.

10. Cited in Ranelagh, 1986: p. 140.

11. Steven, 1976: p. 187.

12. Swialto made a number of broadcasts on Radio Free Europe exposing the evidence used in the trials of communist 'traitors' as having been fabricated; the name given to his selective revelations was Operation Spotlight; see <[www.globalsecurity.org/intell/ops/splinter-factor.htm](http://www.globalsecurity.org/intell/ops/splinter-factor.htm)>.

13. Applebaum, 2012: p. 483.

14. Steven, 1976: p. 193. It is claimed that these paramilitaries were not actually deployed in Hungary as they were not yet fully trained but Steven disputes this; see Ranelagh, 1986: p. 307.

15. Applebaum, 2012: p. 234.

# Robert Burns and his internationalism

*The Socialist Correspondent* Burns Supper  
Glasgow - 1 February 2014 - Toast to the  
Immortal Memory of Robert Burns

By **DAVID KENVYN**



It is a great honour for me, as a Welshman, to be asked to deliver a speech proposing the Immortal Memory of Robert Burns.

I thought that I should therefore give you some indication of how I came to know about the poet and his importance to me.

I suppose it was summed up by the Greek Cypriot performer at the recent International Burns Concert. He said that one of the best ways in which we can get to know each other is through our poetry.

In Wales, we have two national poets. The first one, Dafydd ap Gwilym, wrote in Welsh in the fifteenth century, and the second one was Dylan Thomas whose radio play, "Under Milk Wood" was first performed sixty years ago on 25th January 1954.

Both Dylan Thomas and Dafydd ap Gwilym have much in common with Burns – chiefly women, drink and poetry!

But I have to tell you some stories about how I learned to love Burns and why I understood his importance.

One of my first memories is of being on a train with my mother, my grandfather and his dog. The miners were in dispute with the Coal Board about a wage claim. The man sitting opposite us put down his paper and turned to the person he was with and said "I don't know why the miners' need this money – they will only spend it on a piano".

My grandfather was blind although this would not have been obvious as he did not have a white stick. He was also huge from working in the pits. His hand shot out, caught the man by the collar and said "So what if they do?" The man was terrified. My grandfather then threw him back into his seat and said "Tories". That was the first time that I learned that there is "a parcel of rogues in a nation".

That was not the only time I learned this during my childhood. Other children were told "Goldilocks" or "Cinderella" as a bedtime story.

My dad told me about Hendrik Verwoerd and what an evil man he was. And when I was at Sunday school, aged 7, I met Father Trevor Huddleston just after he had been recalled from South Africa by Geoffrey Fisher, the then Archbishop of Canterbury, and a one man "parcel of rogues in a nation".

So when I went to grammar school and first came across the poetry of Robert Burns, I was familiar with the idea of solidarity.

There is one other personal story to tell. I had moved to Scotland and during my first election here I was stopped and canvassed by an enthusiastic young woman. I have since forgiven her because she knew not what she said.

She stopped me to say "Vote SNP. One Island. Two Nations". I do not know what colour I went before I replied, but she looked alarmed. I then said "I'm sorry. I don't understand. Why aren't you counting the English?"

She did however give me pause for thought. My language, my culture, the colour of my skin and my gender make me different from others, they make me who I am, but they do not make me better than anyone else.

I come to Burns from a socialist and internationalist tradition, and that is the Burns that I know and the Burns that I love. I thought that it was important at this Burns Supper to make that absolutely clear because that is the tradition of all of us here, and it is why we all value and love Robert Burns.

This year we are going to hear a lot about Robert Burns. He will be quoted on billboards, in the newspapers, by politicians and we will be told what an eighteenth century man thinks about twenty first century issues.

There is an elephant in the room.

So, it is probably necessary to begin by saying that we are going to hear a lot about Robert Burns in the approach to a particular forthcoming event. So I promise that I am not going to talk about the Commonwealth Games! (laughter)

I want to talk about Burns, the man that we as readers of *The Socialist Correspondent* should be honouring this year. Let others use the name of Burns in relation to current political debates.

What I want to say is that Burns is not a man of the 21st Century, he was a man of the late eighteenth century, and it is in that context that we, as socialists, need to understand him and assess his legacy for us today.

Burns was a patriot. There can be no doubt about that. His poetry is full of the love of Scotland and his sympathies lie with the ordinary people as they struggle to improve their lives. *To a Mouse* was written because he tore up a nest with his plough, but the last verse leaves no doubt that the ordinary man suffers greatly:

**Still, thou art blest, compar'd wi' me!  
The present only toucheth thee:  
But Och, I backward cast my e'e,  
On prospects drear!  
An' forward, tho' I canna see  
I guess an' fear."**

Or even more bluntly, in *Man was made to mourn*:

**If I'm design'd yon lordling's slave  
By Nature's law design'd  
Why was an independent wish  
E'er planted in my mind?  
If not, why am I subject to  
His cruelty, or scorn?  
Or why has Man the will and pow'r  
To make his fellows mourn?**

I think that everyone in this room would like an answer to that question, and we are not getting an answer to what is a fundamental question for socialists.

We know that around 450 people own half the non-public land in Scotland, and this issue is not being addressed by any of our political parties. This was an issue that Burns raised time and time again. For instance in *The Twa Dogs* he writes:

**Our gentry care so little**

**For delvers, ditchers an' sic' cattle  
They gang as saucy by poor folk  
As I would by a stinken brook**

I have said that Burns was a patriot, but we need to ask what that means in terms of the end of the eighteenth century.

My view is that Burns was not the kind of patriot that Michael Gove wants everyone to be this year, when celebrating the outbreak of the First World War.

I do not believe that we should be celebrating the fact that millions of young men across Europe volunteered to go to their deaths in the killing fields of Flanders.

Or that more came from faraway places like Canada, India, South Africa, Australia and New Zealand to add to the fatalities.

Or that war was waged across East Africa and Namibia in pursuit of imperial dreams. Nor do I believe that, as Gove insists, it was a war for democracy. Britain was not a democracy in 1914. Women could not vote, and nor could most of the young men who volunteered to die. Voting was confined to property owners aged 21 and over.

Imperial Germany had a parliament, the Reichstag. Britain was allied to Tsarist Russia, which could not possibly be described as a democracy. Britain was the largest imperial power in the world, keeping millions in subjection for the benefit of the "Land of Hope and Glory".

Gove wants us to ignore all those poets and writers who railed against the war - Rupert Brooke, Wilfred Owen, Siegfried Sassoon, Erich Maria Remarque and even Rudyard Kipling. Gove brought to my mind Samuel Johnson's aphorism "Patriotism is the last refuge of a scoundrel"

And this is very apposite because Johnson was a contemporary of Burns, and he wrote a dictionary in which he defined the meaning of words. And this is how he defined patriotism: "A patriot is he whose publick conduct is regulated by one single motive, the love of his country; who, as an agent in parliament, has, for himself, neither hope nor fear, neither kindness nor resentment, but refers every thing to the common interest."

So far not much different from how we would define the word today, but Johnson then added: "Some claim a place in the list of patriots, by an acrimonious and unremitting opposition to the court. This mark is by no means infallible. Patriotism is not necessarily included in rebellion. A man may hate his king, yet not love his country."

And then he added even more explic-

itly: "That man, therefore, is no patriot, who justifies the ridiculous claims of American usurpation; who endeavours to deprive the nation of its natural and lawful authority over its own colonies."

So when Johnson referred to patriots as scoundrels, he would have included us, all of us. In his view, we are all scoundrels because of our opposition to the system of government, to the prevailing ideology by which we are governed.

Another contemporary of Burns, Francis I of Austria, was once told that one of his generals was a patriot and replied "But is he a patriot for me?" That is the question that we must ask, "Do I think that someone is a patriot?" whether it is Michael Gove or Ralph Miliband and we, of course, all of us, must find the answer for ourselves.

So who were these patriots in the eighteenth century? They were the Dutch who challenged the supremacy of the House of Orange, who were among the first to adopt the term "Patriotten".

They were the Americans who refused to pay "taxation, without representation" and declared their independence in 1776. They were the people who took up the cry "Wilkes and Liberty!" in the streets of London. They were the French who overthrew the Bourbon dynasty in 1789, storming the Bastille. They were men like Thomas Muir, the Father of Scottish Democracy, who was transported to Australia because he wanted the vote for everyone, who escaped from captivity and made his way to Revolutionary France. Patriots were disturbers of the state and of the established order of government.

The leading progressive nations, that is patriotic nations as defined by Johnson, of the 1790s, when Burns was writing, were the USA and France.

There was one other nation that took a progressive stance in the 1790s. This nation is generally overlooked in writing of the revolutionary struggles of the late eighteenth century because its people were black.

It was and remains one of the most impoverished nations in the world, and is still paying for its temerity in rebelling against the colonial power.

Haiti rose in rebellion against France, abolishing slavery in the process. Toussaint L'Ouverture and his army were not assisted by the USA and Napoleon sent his troops to crush them.

When their interests were challenged, the two progressive nations ceased to be progressive and became as oppressive as the British Empire and the other European powers. And they have remained so to this day.

A whole range of poets took up the cudgels against slavery - William Blake, William Cowper and William Wordsworth in his "Ode to Toussaint L'Ouverture".

Anyone who has heard South African poet and recently the High Commissioner, Lindiwe Mabuza recite *The Slave's Lament* knows that Burns was one of those who showed more than compassion for his fellow men, enslaved for profit, and profit that helped to make Glasgow, through the Tobacco Lords, what it is today.

It is definitely worth reminding us of those words of Burns:

**It was in sweet Senegal that my foes  
did me enthrall  
For the lands of Virginia - ginia O!  
Torn from that lovely shore, and must  
never see it more  
And alas! I am weary, weary O!**

**All on that charming coast is no bitter  
snow and frost  
Like the lands of Virginia - ginia O!  
There streams for ever flow, and  
flowers for ever blow  
And alas! I am weary, weary O!**

**The burdens I must bear, while the  
cruel scourge I fear  
In the lands of Virginia - ginia O!  
And I think on friends most dear with  
the bitter, bitter tear  
And alas! I am weary, weary O!**

I think that this poem leaves no doubt that Burns' sympathies were with the slaves, not the slave-owners or the slave overseers, although he considered becoming one of the latter.

I am however quite wary of imputing 21st century politics to people who lived at the end of the 18th century. Burns for instance cannot be described as a Marxist, simply because he lived before Karl Marx wrote his first word, let alone a pamphlet or a book.

Just because Burns wrote:  
**While Europe's eye is fixed on mighty  
things,  
The fate of empires and the fall of  
kings;  
While quacks of state must each  
produce his plan  
And even children lisp the Rights of  
Man;  
Amid this mighty fuss just let me  
mention  
The Rights of Women merit some  
attention**

This does not make him, by any definition, a 21st century feminist. The evidence is all to the contrary. It does,

Continued on page 23



# One man's journey from UK Islamism

Book review by **PAT TURNBULL**  
of *The Islamist* by Ed Husain. Penguin 2007.

Some thought provoking themes run through *The Islamist*, Ed Husain's (pictured) account of how, growing up in the East End of London, he became heavily involved in Islamist organisations.

Finally, after several years, he re-embraced the Muslim religion as practised by his parents, whom he introduces, 'My father was born in British India, my mother in East Pakistan, and we children in Mile End ... My mother still speaks fondly of her own childhood friends, many of whom were Hindu.'

Through his parents, and a venerated theologian, Shaikh Abd al-Latif, known to him as Grandpa, Ed Husain says, 'I had been taught that Islam was a path that would draw me closer to God ... Grandpa had never spoken about an "Islamic state".'

This concept of an Islamic state appeared in the main textbook for those studying Religious Education at Ed's secondary school in the East End of London, 'Islam: Beliefs and Teachings' by Gulam Sarwar. Ed Husain adds: 'Today, in British schools, Sarwar's book continues to be used in RE classrooms.'

In the book there is a chapter on the 'Political system of Islam', whose first lines read 'Religion and politics are one and the same in Islam.'

As Ed Husain says, the author 'commended the efforts of several organisations that were dedicated to the creation of "truly Islamic states" and mentioned several groups by name, including the Muslim Brotherhood in the Middle East and Jamat-e-Islami in the Indian sub-continent, which were working for the "establishment of Allah's law in Allah's land."

Ed adds: 'What I did not know at school was that Sarwar was a business management lecturer, not a scholar of religion. And he was an activist in the organisations that he mentioned.'

'He was also the brains behind the separation of Muslim children from school assemblies into what we called



"Muslim assembly", managed by the Muslim Educational Trust (MET) ... The personnel all belonged to Jamat-e-Islami front organisations in Britain. Their key message was that Islam was not merely a religion but also an ideology that sought political power and was beginning to make headway. The spiritual Islam of my parents' generation was slowly giving way to something new.'

The Jamat-e-Islami was started in 1941 in British India by Abul Ala Mawdudi, born in 1903, died in 1979 during a speaking tour of America.

Ed Husain describes Mawdudi as 'a Pakistani journalist who translated the Koran according to his own whims, without reference to, or within the paradigms of, classical Muslim scholarship.'

Mawdudi said, "Islam is a revolutionary doctrine and system that overthrows governments. It seeks to overturn the whole universal social order."

In March 1992, the leader of Jamat-e-Islami, a political science professor named Gulam Azam, was arrested in Bangladesh.

Ed Husain was involved in the campaign for his release: 'One of our key arguments was that the British government issued visas for visiting Jamat-e-Islami leaders and MPs. If they were extremists, as my father and others claimed, then why did the government permit them free reign in Britain?'

Despite his parents' deep dismay at their son's involvement, they did not break off relations with him and he continued to live at home.

Another ideologue now appears in the narrative: 'Syed Qutb, a middle-aged Egyptian bachelor and literary critic ... When Hasan al-Banna, the leader of the Egyptian Muslim Brotherhood, was assassinated in 1949 ... Qutb became ... its chief ideologue ... Hardened by social isolation in the United States, he became an ardent anti-Westerner.'

Qutb was hanged by the Egyptian government in 1966 for writing the book *Milestones* which was smuggled out of an Egyptian prison. In the Young Muslim Organisation UK, the organisation Ed Husain belonged to at the time, he says, '*Milestones* along with Qutb's personal commentary on the Koran, was mandatory reading ... The Koran ... accepts religious diversity ... Koranic verses include such Prophetic declarations as "to you your religion, and to me mine."

Qutb however says: "Islam is not merely belief ... Thus it strives from the beginning to abolish all these systems and governments which are based on the rule of man over man."

Ed Husain says it was Qutb's 'ferocious advocacy of violence against the Egyptian and other Arab governments, that led to his death.'

He adds: 'In the malaise of the 1960s Middle East, the confusion of conflicting ideologies, the Muslim Brotherhood had coined the popular phrase, "al-Islam huwa al-hall", "Islam is the solution". To ordinary Muslims this had a certain resonance.'

Young Ed Husain had a sticker on his wall, a quotation from Hasan al-Banna:

**Allah is Our Lord.  
Mohamed is Our Leader.  
The Koran is Our Constitution.  
Jihad is Our Way.**

**Martyrdom is Our Desire.**

He says, 'One day my father saw that sticker and broke out in tears.' Ed's father said, "The Koran ... is not a constitution, but guidance and serenity for the believing heart ... Why do these people call for martyrdom when their sons are in the best universities across the West?" Ed Husain summarises the position of many young British Muslims: 'Cut off from Britain, isolated from the Eastern culture of our parents, Islamism provided us with a purpose and a place in life.'

In early 1993 he 'met members of an international organisation dedicated to the overthrow of Muslim regimes and the re-establishment of the Islamic state - the khilafah or caliphate: Hizb-ut-Tahrir.'

Its leader in Britain was Omar Bakri. 'Omar Bakri and many of his contemporaries in Hizb-ut-Tahrir had entered Britain as Arab political asylum seekers ... Hizb-ut-Tahrir ... was mostly second-generation British Muslims and converts who were seduced by the "Tottenham Ayatollah" ... a particularly effective stratagem of Hizb-ut-Tahrir was to convince its members that "working towards establishing an Islamic state is an Islamic obligation", on a par with five daily prayers and the Haj.

'Arab Islamists familiar with the Hizb from the Middle East suggested the Hizb were American agents ... in 1952 Taqi Nabhani, founder of the Hizb, had applied to the Jordanian Interior Ministry to establish "a political party with Islam as its ideology". The Jordanian monarchy rejected the application on the grounds that the Hizb was committed to overthrowing the king ... [The Hizb] was eventually outlawed in every country in which it operated.

'Hizb members had requested political asylum in London during the 1980s ... The Hizb was legal in Britain, but illegal in the Arab world. It would not disappear unless the British state wanted it to disappear.

'Nabhani argued for a complete destruction of the existing political order, particularly in Muslim countries, for it to be replaced by the Khilafah system.'

Ed Husain became an active member of Hizb-ut-Tahrir. 'Between 1992 and 1993 Newsnight covered our rise ... Boosted by the intense media interest, we went from strength to strength ... Britain breathed new life into the Hizb.

'From 1992 ... young, articulate British Muslims whose parents had sent them to universities for an education returned as dogmatic zealots linked to a network of speakers and brothers across Britain ... Britain served as a ... launch pad for ... the export of Islamist ideology to ... Indonesia, Uzbekistan, Pakistan, Bangladesh, Turkey.'

As the 1990s passed, Ed Husain's doubts about Islamism grew, and he began to turn back to the Muslim religion of his parents. It became a priority for him to make a proper study of Arabic, and after taking courses to teach English as a foreign language, he and his

But Ed Husain noticed something else. 'In late 2004 I saw two members of Hizb ut-Tahrir from Britain register for Arabic courses at the university ... For the first time in many years, several Hizb ut-Tahrir cells were functioning in Damascus. Police raids led to arrests and the seizure of Hizb material. London, it was clear, was still sending Hizb ut-Tahrir members to the Middle East with the protection of a British passport and the consular assistance of Her Majesty's Diplomatic Service.'

Ed Husain adds some comments on Syrian politics. 'To my surprise, in private meetings in Syrian homes, young people of all religions expressed support and admiration for their president, Dr Bashar al-Asad ... Regime change, an idea advocated by neo-cons in Washington and Islamists in London, was not the priority of ordinary Syrians. ... Two years in Syria, away from Islamism in Britain and in the company of amiable believers of many religions in Damascus, had, I knew, decontaminated my mind.'

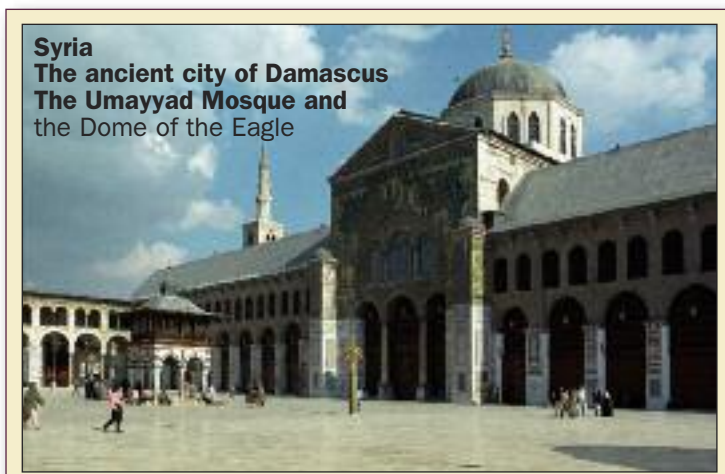
But before returning to Britain, Ed and Faye Husain decided to take jobs at the British Council in Jeddah, Saudi Arabia's "most liberal city", as he was told, where they lived for seven months.

The dominant form of the Muslim religion in Saudi Arabia is Wahhabism. Ed Husain expands, 'Wahhabis are a deeply literalist sect.

Metaphors, allegories, love, and transcendence have no meaning for them. They are exceptionally harsh towards Muslims expressing love and dedication to the Prophet. To Wahhabis, that borders on worship and is therefore idolatrous ... [They consider] the majority of the world's Muslims to be polytheists.

'Between 1745 and 1818 the Saudi-Wahhabi alliance rode roughshod over local traditional forms of Islam ... in 1818 the Ottomans sent armies from Egypt to quell the extremists. Yet by 1912, with the Ottoman Empire in its death throes, the group had re-emerged. Ibn Saud, now leader of the Saud tribe, gained prominence and strength with British support, as did his bed-fellows the Wahhabis.'

In 1934 the Kingdom of Saudi Arabia was established, site of the holy cities of Mecca and Medina, and soon oil was discovered. Ed says, 'the missionary zeal of Wahhabism was enhanced mani-



**Syria**  
The ancient city of Damascus  
The Umayyad Mosque and  
the Dome of the Eagle

'Damascus was a city filled with tombs of saints and companions of the Prophet ... Ed and Faye encountered a toleration of people of different religions which contrasted with the harsh attitude of Islamists in Britain.'

wife Faye decided to pursue their studies in Damascus, Syria, in 2003.

'Damascus was a city filled with tombs of saints and companions of the Prophet ... Faye and I went to the mosques of Syria with our non-Muslim friends, something we could not have done in Britain.'

Ed and Faye encountered a toleration of people of different religions which contrasted with the harsh attitude of Islamists in Britain and he comments, '...long before Christianity arrived in England the religion developed by Jesus's disciples had been an established part of people's lives in Syria.'

The contrast was equally sharp in types of clothing: '... on campus there was not a single bushy-bearded Syrian student ... the Arabs I thought I dressed like did not exist!' He encountered 'Syrian imams in Western-style shirts and trousers ... Faye and I began to rediscover our Western wardrobes.'

fold by geography and the financial advantages of black gold.'

Ed and Faye encountered a level of luxury not experienced in Syria, but soon saw the down sides of life in Saudi Arabia - what Ed Husain describes as 'the frightful reality'.

There was a strict pecking order - the US, Britain, other Europeans, and then - 'Asians ... were at the bottom of the pile, above only poor black Africans from Chad ... Throughout my stay in Saudi Arabia I never divulged my Asian ethnicity ... In countless gatherings I silently sat and listened to racists caricatures of a billion people by Saudi bigots.'

Then he learned of the Saudi slums. 'Thousands of people who had been living in Saudi Arabia for decades, but without passports, had been deemed "illegal" by the government and, quite literally, abandoned under a flyover ... Muslims enjoyed a better lifestyle in non-Muslim Britain than they did in Muslim Saudi Arabia ... The mainly Muslim seven-million strong immigrant workforce loathed life in Saudi Arabia...'

He contrasts his experiences with Syria where 'students ... were intellectually engaged with current affairs and progress in science and technology, brought up subjects for discussion in class, and enjoyed comparing Western

culture with Arab traditions' and asks why 'we consider Syria to be part of the "axis of evil", and Saudi Arabia an "ally" in the fight against terrorism.'

He amplifies his point, 'Islamists and Wahhabis ... converged in the 1960s. King Faisal of Saudi Arabia, keen to subvert the Egyptian prime minister Gamal Abdel Nasser's Arab nationalist appeal and anti-monarchy rhetoric, funded Egyptian Islamists of the Muslim Brotherhood. When Nasser clamped down on Islamism, Faisal gave thousands of them sanctuary in Saudi Arabia ... In Egypt Saudi money bolstered Islamist publishing houses.'

Ed and Faye Husain visited the holy sites of Mecca and Medina, places where historically 'Muslim scholars from all schools of thought taught here for decades at a time. ... In Mecca, all historical remnants of the Prophet's life were destroyed with dynamite ... In place of history and heritage, hotel complexes have been built across Mecca.'

On a visit to Medina, 'Wahhabi religious police, zealous and harsh, patrolled the Prophet's mosque to ensure that nobody worshipped him there ... The Wahhabis cannot comprehend the difference between love and worship ... They broke up gatherings of Shia Muslims and forcefully moved on spiritual

Muslims who wished to recite poetry at the tomb of the Prophet ... Today's Muslims risk being kicked in the face by the Wahhabi guards if we so much as bow our heads.'

In his final chapter, 'Return to England', Ed Husain ponders the situation of British Muslims, followers of 'the second largest religion in the United Kingdom'. He recognises 'Islamists could still be successful at mobilising Muslims, in Britain and elsewhere, partly because there exists heartfelt reaction against genuine imbalance in the world.'

He points to the inconsistencies of British policy.

'Demands were made that Syria expel Hamas members from Damascus, and Pakistan close several of its madrassas. But when the British government is content to allow a sophisticated extremist organisation to operate and recruit in Britain, why should Syria or Pakistan do their job for them?'

And on the situation of British Muslims, 'Since my return I have observed British Muslims being browbeaten by certain sections of the media and government, demanding "integration" and an end to "parallel lives" ... many of my Muslim friends rightly ask what we are supposed to integrate into ... the local pub ... Can an orange juice ever be enough?'

## Robert Burns and his internationalism

Continued from page 20

however, show quite clearly that he was considering a political issue that only Mary Wollstonecraft was raising at the time and which for most people was not even a subject to be discussed.

This is the point at which it is necessary to say that Burns wrote some of the most sublime love poetry in the world - *Ae Fond Kiss*, *My Love is Like a Red, Red Rose*, *John Anderson My Jo* and so many others. These poems speak to us across the ages and tell us a huge amount about the humanity of Burns, but they do not tell us about his politics.

So what do we know of the politics of Robert Burns? We know that his family were Jacobites who fled from North-East Scotland to Ayrshire following the defeat at Culloden. That makes them reactionaries who supported the divine right of Kings, backed by the power of the Lords and Bishops.

We know that Burns wrote a number of poems from the Jacobite viewpoint and collected Jacobite songs, and because of the romanticism of Victorian

England these are some of the best known of Burns' songs and poetry.

But we also know that Burns rejected this kind of politics, because he is quite explicit about it in his poetry. For instance, in his "Ode for General Washington's Birthday", (and can you imagine the courage it took to write an ode to George Washington during the reign of George III?) he wrote:

**See gathering thousands while I sing  
A broken chain, exulting, bring  
And dash it in a tyrant's face**

And in *The Tree of Liberty* he is open in his support for the French Revolution, and in his support for ordinary people above and beyond the rights of the nobility, the ruling class:-

**Without this tree, alake this life  
Is but a vale of woe, man;  
A scene of sorrow mixed wi' strife,  
Nae real joys ye know, man,  
We labour soon, we labour late,  
To feed the titled knave, man,  
And a' the comfort we're to get  
Is that ayont the grave, man.  
Wi' plenty o sic trees, I trow,  
The world would live in peace, man;  
The sword would help to mak**

**a plough,**

**The din o war would cease, man.  
Like brethren in a common cause,  
We'd on each other smile, man  
And equal rights and equal laws,  
Wad gladden every isle, man**

This is the Burns that I know and love - the Burns who believed in the brotherhood and sisterhood of humanity, the Burns who took up the cause of the common people against exploitation and injustice.

And, just in case anyone thinks that lines of poetry like these are not explicit enough, there is of course one poem above all the others that makes it quite clear on where Burns stood on the issues that inspire us today as socialists and internationalists, and on which we base our political judgements.

**Then let us pray that come it may  
As come it will for a' that  
That sense and worth o'er all the  
earth  
Shall bear the gree, an' a' that.  
For a' that, an' a' that  
It's coming yet for a' that  
That man to man, the world o'er  
Shall brothers be for a' that.**



An Independent Scotland - better or worse for the working class?

# Capitalism is safe in the SNP's hands

In a few months Scotland may have voted to become an independent country or it may have voted to stay part of the UK. In modern times there has never been a majority for independence, so why are we even being asked this question?

By **FRIEDA PARK**

Recently the Scottish National Party has posed itself as a social-democratic alternative and has become the repository for the protest vote in Scotland, where people are disenchanted with Labour. This was not always the case, the SNP used to be nicknamed the Tartan Tories.

The protest vote concentrates itself in Scottish Parliamentary elections, whereas in Westminster elections people still tend to vote Labour. Last year Labour won two seats from the SNP in by-elections - a Council seat in Glasgow and a Scottish Parliamentary seat in Dunfermline. Since then in Labour held seats, by-elections have resulted in a swing from the SNP to Labour.

The combined tactical smartness of the SNP and terrible performance of Scottish Labour, nevertheless, delivered an absolute SNP majority in the last Scottish Parliamentary elections.

This was a stunning victory in a system designed to prevent any one party having overall power, yet in some ways it almost felt like an accident, albeit an accident waiting to happen.

Independence was not an issue during the election campaign. Many of those who voted SNP did not expect this outcome and the SNP itself probably did not expect it either.

The SNP has been long dominated by pragmatic gradualists. They probably expected to continue to argue for more devolved powers coming to the Scottish Parliament over years, rather than suddenly being in the position of having to argue for independence.

Pro-independence demonstrations have not been very impressive and, in fact, the YES campaign have now called off what was to be its final demonstration before the referendum.

Mindful that they were not in a strong position, the SNP leadership opted to try to convince the Scottish people that independence would mean keeping everything they like about Britain and not be too disruptive or radical. So according to the White Paper, *Scotland's Future*<sup>(1)</sup>, we get to keep great British institutions, like the BBC, the Royal Na-



**Under the SNP a separate Scotland will still be flying the flag (above) of the nuclear arms and war alliance that is NATO**

tional Lifeboat Institution and err ... the National Lottery.

They unilaterally declared that, not to worry, Scotland will still have the pound, the monarchy, be in the European Union and NATO prior to any negotiation round these issues.

The pretence that nothing will change in an independent Scotland except that we will have fewer Tories and more child care provision has begun to come seriously unstuck with the UK treasury ruling out a currency union and the EU being clear that Scotland will need to re-apply for membership which could be a difficult process.

The SNP pretends that an independent Scotland will inherit all the entitlements (if you could call them that) that it currently has as part of the UK.

This is nonsensical. If Scotland votes for independence then it will be leaving those structures behind. Like many a divorce, there will be lengthy and protracted negotiations round how to divide up debts and assets, but there will be no right for Scotland to use rUK institutions.

It can negotiate its share of physical resources, but it may have to start again and establish a Scottish Broadcasting Corporation, Lifeboat Service, National Lottery etc.

You would not expect your partner to announce that they were leaving and then to come round every night to watch TV and prepare meals on the cooker on the basis that these were "shared assets".

You would reach agreement about who was having the cat, the CD collection and the coffee machine, set up separate bank accounts and go your different ways. Yet the SNP seem to want to move out, but not move out, to have independence, but not be independent.

When national parties speaking on behalf of the rest of the UK (rUK), as well as Scotland, demurred and said that currency union with Scotland was not going to happen they were, of course, accused of bullying.

Each wheel that falls off Salmond's independence wagon will be blamed on English Tories. In reality the problems arise from the SNP's unwillingness to tell the people of Scotland what independence would really mean, that it could be a difficult and complex process with few guarantees and which might have some very negative consequences.

Despite this, however, the idea of independence does have strong appeal to many.

Nationalist movements are best judged by their class content. The forces for independence range from some

pretty big capitalists, such as Brian Soutar, the fundamentalist Christian, homophobic owner of Stagecoach, through elements of the liberal middle class, the Greens, every brand of Trotskyite and a significant number of activists in the Labour Movement.

In addition some foreign capitalists such as Rupert Murdoch have snuggled up to the SNP government. Those opposed to independence are a similar motley crew - though no Greens nor Trotskyites.

On this basis, the demand for independence does not appear to represent any coherent class interest. All of the strands supporting a Yes vote believe that their independent Scotland will be a better Scotland for them, which clearly cannot be the case.

Though independence may not be in any one classes' interest, nevertheless it is led by the SNP, which despite its social-democratic garb is a capitalist party.

In an independent Scotland it would lower corporation tax in a race to the bottom aimed at attracting parasitic capital. How would their promises on welfare be funded in such a situation?

Despite the evidence of the banking crisis when Scottish banks were the centre of the collapse, they still play-up Scotland's financial industry. Scotland's banking sector is currently 12 times the size of its GDP, for the rest of the UK (rUK) it is less than 5 times. As a comparison before the financial crash in 2007 both Iceland and Ireland had banking sectors which were around 7 times their GDP.<sup>(2)</sup> To be scared of this economic scenario is not scaremongering, but a rational response.

The SNP also talk about the potential



**Norway's state-owned Statoil oil platform in the North Sea**

of North Sea oil and compare Scotland with Norway. In Norway large sections of the industry are controlled by the state, there are no similar proposals to change the ownership and management of this finite resource emanating from the SNP.

Fundamentally the Scottish people are being asked to follow a strand of the capitalist class. Whilst the pro-independence left do have their own agenda, they are not the leading force in this campaign. The hope is of a better, Tory-free Scotland, but in reality nationalism is asking the working-class to band together with capitalists to create a capitalist Scotland.

There are five interconnected arguments for independence on the left, though not everyone who supports independence would subscribe to all of these:

- Scotland did not vote for the Tories and austerity and, therefore, must be better off with a leftish government at Holyrood, which would better reflect the wishes of the Scottish people;

- Our history, culture and traditions are different from England and implicitly or explicitly it is stated that these are more progressive. This will be given expression in an Independent Scotland;

- It would break up the British State;
- Scotland is oppressed by England and the independence movement is a national liberation struggle;

- That the more localism there is the better, so Scots running their own affairs is more democratic.

The main argument against all of these is that they ignore the real alignment of class forces for independence, dismiss class-struggle and progressive movements in other parts of the UK, especially in England. In reality no one ever comments on Wales and the North of Ireland.

Some dream of a realignment of Scottish politics post-independence. But if this is on the cards why is that lurch not already happening as we battle the Tory dictatorship? We may elect many fewer Tories than in England, but is the class-struggle actually any more advanced that would deliver us the dreams of social justice and a nuclear-weapons free Scotland?

The recent dispute at Ineos in Grangemouth brought this into sharp relief. Workers in Scotland made a brave stand, but were no more able to take on the might of foreign-based capital than their English sisters and brothers would have been.

They were not demonstrably more militant, nor did Scottish society rally round them to offer effective support. The Scottish Government acquiesced, just as the Westminster Parliament did, to cough up cash, supporting private equity capital rather than workers. Meanwhile the RMT in the London Underground is taking action to defend jobs and services.

An independent Scotland might or

might not be more social-democratic in the short term. Any re-alignment of politics is more likely to hatch a new right as Salmond and Sturgeon swim in a capitalist ocean and will require to follow policies of austerity and neo-liberalism to survive. No doubt they will blame this on the poor settlement they were left after independence and on the pantomime villain, the English.

Nor are we lumbered with a perma-

**Without Scottish votes the defeat of the Tories is a lot less achievable, so rather than being a beacon to the English working-class, as some argue, we will instead be abandoning them.**

nent Tory majority, a future Labour Government in Westminster is entirely possible. Labour is consistently ahead of the Tories in opinion polls and support for the coalition is being eroded by UKIP and the collapse of the LibDem vote.

Without Scottish votes the defeat of the Tories is a lot less achievable, so rather than being a beacon to the English working-class, as some argue, we will instead be abandoning them. A more entrenched right-wing majority in the rUK parliament is in no-one's interests whether Scotland is "independent" or not.

We can expect Labour and progressive movements to split their organisations after independence. Workers north and south of the border will be posed against each other by the global companies that dominate our economy. It has always been a hard battle to combat sectional interests and forge working class unity. How will separation make that easier?

A further consideration for those who think that independence is the only progressive option, without the votes of Scottish MPs the UK would now be at war in Syria.

At another level the pro-independence left justify their position by arguing that Scotland has deep rooted radical traditions which somehow will form the basis of continued left progress once independence has been achieved.

Scotland does indeed have wonderful historical and radical traditions which continue to manifest themselves today. The promotion of these is a vital part of the class-struggle, but it is precisely that, a conflict of ideologies, which is how we



read our history and celebrate our culture. It is not something that can be taken for granted as a given. Whilst we celebrate Robert Burns, Red Clydeside, and the Scots' contribution to the Spanish Civil War there are many others attending the Edinburgh Military Tattoo and taking pride in our Scottish Regiments.

The tendency to blame domination by England for holding back the Scottish working class is misguided. True enough Scotland does not, at present, vote Tory but neither do great swathes of the North of England and London. The progressive traditions of England are never considered, nor its changing ethnic composition which influences its politics. Class matters more than geography. Fundamentally it is capitalism that holds us back not England.

There have been many statements from individuals on the left implying, or sometimes quite directly saying, that Scotland is naturally socialist/social-democratic/left-wing. A speaker from The Common Weal at the launch of the Peoples' Assembly in Scotland said not once but twice that "fairness is in our DNA".

In a recent article<sup>(3)</sup> in the *Morning Star* the writer states: "The idea that Scotland must stay in order to save the English from themselves is utterly bizarre. Like every democracy, England gets the government that it elects, including the current one. If the English left want to rebuild they need to start appealing to English voters, not those of neighbouring countries."

Who are the "English" that the writer refers to – a national blob that we can all hate undifferentiated by class or ethnicity? This is the divisive chauvinist thinking which is promoted by capitalism.

In working class communities and cities people in England vote Labour. It is an act of solidarity to stand with them against austerity and to oust the Tories at the next general election. Internationalism might not always be easy, but it is always right.

The other main left argument for independence on the left is that it will break up the British state. Again this seems a seductive proposition and one that on the surface it would be difficult to disagree with.

But how far will it be a reality? The SNP version of independence, not a utopian vision of what we would like it to be, actually maintains many of the institutions of the state intact and calls for collaboration in matters such as defence and intelligence.

The representatives of what would be the rUK are becoming increasingly opposed to this vision, but even if Scot-

land does break away, it is difficult to see that it will change much. The rUK state will carry on unburdened by its Labour voting northern neighbour.

There is also a position that holds that Scotland is oppressed by England and Scottish nationalism is like a national



Sir William Patterson

liberation movement.

Capitalist nation states emerged across Europe, defining themselves throughout the 17th, 18th and 19th centuries. England was well ahead of others in settling its dynastic feudal differences, forging a centralised state and turning its vision outward to world domination.

Other countries had similar ambitions, including Scotland. In 1695 the Scottish Parliament established the Bank of Scotland and the Company of Scotland to raise capital for trade with Africa and the Indies.

Within a few weeks around one fifth of the wealth of the country had been gathered into this fund which was then sunk into the disastrous Darien scheme to found a Scottish colony in Panama, with the aim of controlling the isthmus. Sir William Patterson (caricatured above), the main advocate of the scheme, fell from grace but later had a successful career, among other things going on to be one of the founders of the Bank of England.

Scotland was bankrupted by Darien and the only way it could sustain its imperial ambitions was through union with England.

Some of the Scottish nobility petitioned England to wipe out the Scottish national debt and stabilise the currency. Eventually, this was agreed and the Scottish Pound was given the fixed value of a shilling. Arguably then, the pound is English and not the shared asset that Alex Salmond claims.

Three hundred years later and with the Scottish financial system, including the Bank of Scotland, being bailed out again, one wonders if some in England might be questioning the usefulness of their Scottish partner in crime.

Partners in crime, of course, we definitely were with Scots playing signif-

icant roles within the British Empire at all levels and "Scottish" capitalism benefiting. In the same way that the spoils of Empire were used to purchase the loyalty of the English working-class, so they were also in Scotland.

The argument that decisions are best taken more locally by those whom they affect is also flawed. Firstly it sets class interest to one side imagining that greater devolution of power will bring it closer to the people.

All our experience under capitalism shows us that this not the case. National governments, regional or community councils do not produce more radical or accountable politics. Class struggle does that.

In conclusion, on the positive side of the balance sheet, with independence is it possible that Scotland will be able to pursue more social democratic policies to the benefit of the Scottish people?

Even that is unlikely, however, as Scotland needs to deal with the pressures of operating in a neo-liberal global economy and the SNP implement their pro-capital economic policies. Why should we believe the SNP promises anyway on welfare or Trident? We do not usually take capitalist politicians at face value.

Independence will not mean business as usual but will be a complicated and uncertain process which will produce a lot of unintended and negative consequences socially and economically.

Based on what is happening now, there is no evidence that the left or Socialist ideas will flourish more in an independent Scotland.

The rUK will have a more entrenched right-wing majority in its parliament, which will wield power and influence over an independent Scotland, the other peoples of these islands and internationally, with less chance that we can alter this.

The progressive and labour movements will be institutionally divided and prey to capitalism promoting sectional interests so that we end up fighting each other rather than the real enemy.

Those divisions are already beginning to appear and it is sad that so much time and effort is being devoted to the pros and cons of independence instead of building opposition to capitalist austerity.

#### FOOTNOTES

1. *Scotland's Future*, The Scottish Government, November 2013.
2. Alex's Salmond's big problem, *The Economist* 22/2/14.
3. The most Progressive option on the table, Pam Currie, *The Morning Star* Online accessed 23/2/14.



An independent Scotland - better or worse for the working class?

# Red Paper says NO to independence

A Review of *Class, Nation and Scotland: The Red Paper on Scotland 2014* (Pauline Bryan and Tommy Kane (eds.): Glasgow Caledonian University Archives, 2013)

By **KEN CABLE**

In 1975, a youthful Gordon Brown brought out the first *Red Paper on Scotland*. It set out a radical vision for change in Scotland and Brown himself commented that the problems of Scotland could not be controlled “by recovering a lost independence or inserting another tier of government: what is required is planned control of our economy and transformation of democracy at all levels” (cited in the *Red Paper 2014* at p.7).

In 2004 a second *Red Paper on Scotland* was produced focusing on issues thrown up by the election of the New Labour government and the creation of a devolved government in Scotland.

The independence referendum has now impelled the publication of a third focused on class, nation and Scotland.

The contributors to the *Red Paper* include leading trade unionists in Scotland, members of the Labour Party, academics and political activists. Their intention is to deliver a class-based analysis of Scotland which demonstrates that socialism is best achieved through a reconfigured form of union of Scotland within the United Kingdom.

To that end they promote a ‘no to independence’ vote in the referendum in September.

The *Red Paper* contains a great deal of material. It covers the economy, government, democratic ownership, class and the political challenge which collectively touch on most areas of immediate relevance to Scottish people.

The one exception is culture, which in Scotland is vibrant and in some ways distinctive. The failure to

discuss it is a surprising omission given the importance of cultural identity to debates on nationalism.

Three themes predominate: an analysis of capitalism and the working class in Scotland; criticism of the SNP; and proposals for change.

They are rarely separately addressed but rather are bundled together in the various contributions to build a case for socialism as the foundation for progressive change in Scotland.

## Capitalism in Scotland and the Working Class

The analysis of capitalism is dominated by the transformation of Scotland from

a manufacturing to a service based economy.

Manufacturing is now less than 12% of GDP with 48% of the largest companies employing more than 250+ persons and accounting for 68% of turnover, now owned outside the UK.

The past of an industrial Scotland in which the ‘captains of industry’ were Scottish in Scottish owned firms has gone. Manufacturing is concentrated in only five significant areas: electronics and computing, defence engineering, food and drink, life sciences and chemical sciences.

This decline is mirrored in manufacturing employment. It is now less than a third of what it was 30 years ago to around 180,000-190,000 in 2012. Research and development as well as investment in the sector in Scotland is weak and under-resourced and so its future is in doubt.

The picture in the finance sector is not much better. It employed 89,750 in 2012, generating around 8% of GDP. It too has seen once predominantly Scottish firms taken over by financial institutions outside Scotland, or in the case of RBS and the Bank of Scotland by the UK State. Finance in Scotland has not supported Scottish manufacturing.

The picture in Scotland is therefore no different from the rest of the UK and much of the developed capitalist world. Scottish capitalism is an intrinsic part of transnational capitalism dominated by ever larger transnational firms accounting for ever larger shares of production.

The economic base for independence is insecure and the idea of ‘economic sovereignty’, whether in Scotland or anywhere else without a fundamental change from capitalist ownership, is a myth.

Given this similarity it is not surprising to find the working class in the North of England holding views similar to those in Scotland.



In a discussion of class identity and struggle two of the contributors use the British Social Attitudes Survey to show that in the three regions of England geographically closest to Scotland (the North East, the North West and Yorkshire and Humberside) the views of the 15 million inhabitants on issues such as the role of government in tackling unemployment or whether working people have a fair share of the nation's wealth follow similar trends over time and are not significantly different or distinct from those held in Scotland.

One conclusion they draw from this is that a frequently heard argument that "Scotland and the Scottish working class is inherently more inclined to left politics than our southern neighbours" (p.145) is not supported by the evidence.

Another, of course, is that what is needed is a united campaign against capitalism, and not a referendum for a nationalism that arbitrarily divides one section of the working class from another.

To date, the SNP have been a source of such division. A poll in the *Sunday Times* (9/2/2014) reports that 47% of the working class will vote for independence and 53% against, which is narrower than the overall figure for all classes in the same poll of 43% for and 57% against.

To some extent this reflects a degree of competence in SNP government in Edinburgh and incompetence in Labour opposition. But it also reflects competition for the same ground electorally.

The SNP self-describes itself as 'social democratic' and in the 2011 elections "the SNP won a higher percentage of the vote in all social groups, including the working class, than Labour" and that "switching between Labour and the SNP is common, with around 30% of voters who backed Labour in 2010 opting for the SNP the following year" (p.172).

Yet the SNP has not historically been or is now a working class party. The *Red Paper* reports research which shows that its membership profile is "disproportionately strong in rural communities and small towns, significantly older than Labour's, much more male and drawn from the small business and salaried strata" (p.25). In other words, from what was once described as the petty bourgeoisie.

In classical Marxist analysis this class is shown as vacillating between positions. It can also be a reservoir of support for reactionary nationalism. It is not difficult to situate the SNP today in such a frame.

### The SNP

In recognition of this fact there is a great deal of criticism in the Red Paper of

SNP policy. The prime generalisation is that it is a 'neo-liberal' policy indistinguishable in essentials from that followed by the Conservative-Liberal Democratic Coalition in London.

To begin with, the SNP, in government in Edinburgh since 2007, have done nothing to lessen the growing foreign ownership of Scottish productive assets noted above.

Indeed, it seems set to accelerate it with one of its flagship policies in the White Paper the proposal to reduce corporation tax by up to 3% below that in the rest of the UK in an attempt to woo investment to Scotland.

... the British Social Attitudes Survey shows that in the three regions of England geographically closest to Scotland (the North East, the North West and Yorkshire and Humberside) the views of the 15 million inhabitants on issues such as the role of government in tackling unemployment or whether working people have a fair share of the nation's wealth follow similar trends over time and are not significantly different or distinct from those held in Scotland.

A companion proposal is the decision not to raise the general rate of taxation.

What both these measures confirm is a conservative fiscal policy, underwritten by a supposedly neutral Fiscal Commission and Council of Economic Advisers who advise the SNP government and who are wholly pro-business in their approach. Alex Salmond's closeness to



Rupert Murdoch (above) is one example of this.

The SNP in government have done

nothing to deal with the huge inequality in landownership in Scotland in which 432 people own more than half of Scotland's privately owned land, capitalising on it in various schemes to avoid an estimated £40 million a year in tax (*Daily Record* and *Sunday Mail*, 12/8/2013). These figures, reported on the day that the grouse shooting season traditionally begins, show it is truly 'The Glorious Twelfth' for some!

The SNP have closely followed Coalition policy on public service pay by implementing a four year pay freeze alongside a programme in which more than a quarter of civil service jobs in Scotland have been lost since 2008. The proposals that have come forward on the future organisation of a post-independence public service include a positive appraisal of the Northern Ireland civil service, where pay and conditions are worse.

Some half a million houses were sold off in Scotland under the 'right to buy' scheme between 1980 and 2005. Homelessness and waiting lists for housing have increased and those remaining in social housing have seen a shift in attitude "from 'a pillar of the welfare state' to a 'safety net' to house those with the greatest social problems" (p.78).

Under the SNP government investment in housing has fallen so supply does not meet demand. To meet it in part "the SNP has turned to market based initiatives such as the National Housing Trust to boost supply" (p.79).

Scotland has a substantial investment in all forms of power and is a major exporter to England. In spite of this it is victim to the same oligarchic control by the dominant six energy companies as the rest of the UK.

The SNP has no plans to change this, rather the reverse claiming it will remain within the UK energy market for electricity and gas. What this will mean for the one third of Scots estimated to be in fuel poverty is unclear.

In 1994 Strathclyde decisively rejected (97%) a plan for water privatisation. However, this has not prevented the growing commercialisation of water as incremental changes have seen it increasingly run as a business.

Scottish Water has turned to the private sector and PFI for more than half of its recent capital investment and studies presented to the SNP government have suggested a change to private ownership.

To date this has been rejected, but a closer examination of the SNP's 'Hydro-Nation agenda' reveals it to be "an intensification of the neo-liberal strand that has so influenced the direction of water



and waste water services in Scotland over recent times” (p.104). Enough said!

What these examples demonstrate is a policy by the SNP that necessarily privileges finance, commerce and privatisation over anything else. It changes nothing other than to make things progressively worse for the majority and especially for the working class.

The same applies to its policies toward the European Union and on defence. These also change nothing and are riddled with contradictions.

The SNP favours membership of the EU. It will not offer a vote on it should the SNP win the referendum and it will have to constitutionally guarantee the constraints imposed within the Treaty on Stability, Coordination and Governance of 2012 which requires that member governments keep national budgets in balance or surplus.

The comment in the Red Paper is as follows: “The impact of this and the fiscal compact would be like having the EU’s neo-liberal economic policies and severe borrowing constraints imprinted on the new Scotland’s DNA and would severely limit its ability to create growth, to implement progressive social policies, or to invest in the public sector” (p.162).

In respect of defence the SNP intends to give up Trident but remain within NATO. The Red Paper shows this is next to impossible to achieve. NATO is a nuclear alliance in which Trident is an integral part. NATO is committed to first strike use of nuclear weapons.

There will be tremendous resistance within NATO to any changes which prejudice these in any way. Scotland on its own simply does not have the clout to force through any changes in these strategic doctrines.

Rather, it is likely to have to compromise on its policy to close the Trident bases in Scotland and at the same time be obligated to provide military forces to support NATO in overseas missions in support of imperialism. Remember, the



SNP backed the war in Afghanistan and the NATO intervention in Libya.

In sum, SNP policies do nothing to challenge the neo-liberal agenda or to change things in favour of the Scottish working class.

#### Proposals for Real Change

As such, there is room for proposals for real change. These appear at a number of points in the Red Paper. They include extending economic and political democracy by challenging capital through promoting public ownership, developing the cooperative sector, increasing democratic accountability via municipal socialism and empowering user groups in a variety of public services and utilities.

Many of the proposals are pragmatic and reflect the experience of the contributors in working in the sectors they discuss. They are credible points for a programme acceptable to many on the Left.

They include proposals for local government to raise taxes in support of public services, return public health to local council oversight, renationalise the railways by assuming the franchises once they are finished, return water to the municipal socialist model that once prevailed, encourage community ownership in football, plan and control energy markets, and ensure government investment in renewable energy to mitigate climate change.

These sit alongside broader responsibilities to develop a mass campaign involving the trade union movement and progressive groups to challenge market based prescriptions and solutions for change. It is here that some of the differences between the contributors reveal themselves. All are opposed to independence but it is not clear that all agree as to what form future devolution in Scotland should adopt.

Many of the practical measures set out above could, for example, be included within some form of radical devolution involving larger political responsibilities and significant revenue raising powers.

But as one of the contributors who examines the various forms of devolution on offer remarks, none of them “meets our key test of devolution – will it create a more equal society?” (p.187).

Marginal increases in devolution would not. The implied rather than stated consensus among the majority of contributors is therefore for a federal Scotland within a United Kingdom.

This would build on principles of Home Rule for Scotland first advanced by Keir Hardie (pictured) in the 1890s and reiterated by the trade union and labour movement from time to time since then.

The problem with this, however, is that federalism itself has innumerable features and forms and it is by no means clear which is optimal to advance socialism in Scotland and the UK.

The Red Paper therefore concludes with unfinished business.

# The Socialist Correspondent

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An independent Scotland - better or worse for the working class?

# Scotland's economy and independence

One constant in the opinion polls on the September referendum is that among the committed voters there is a majority voting against independence. However, the large number of voters yet to make up their minds does not mean the 'no' vote will win on the day.

By **PAUL SUTTON**

There is also one other constant: the economy. All polls show this is the most important single issue informing voting choice and one series of polls has summarised its significance using the figure of £500. It simply asks one question: will you be better or worse off by £500 should Scotland become independent?

The answer consistently given since it was first asked in 2011 is that a majority would support independence if they were £500 better off and a majority oppose it if they were £500 worse off. The figures for 2011 were 65% would support independence if £500 better off and in 2013 it was 52%.

If the reverse question is put: would you be against independence if you were £500 worse off, the figures are for 2011, 66% and for 2013, 72%. Together both sets of figures show a hardening of opinion against independence if it carries a financial cost. Or alternatively, they show an increasing degree of doubt about how robust the Scottish economy will be following independence.

Those polled are right to be sceptical. As the referendum date looms nearer a larger and increasing number of questions are being asked about how the economy will work and to whose benefit. The answers to them are crucial to the outcome of the referendum and to the living standards of the vast majority of the Scottish people.

## Currency

The most important to date has been on the issue of currency. Scotland has four options: (a) continue to use sterling with a formal agreement with the rest of the UK (a sterling currency union); (b) use sterling unilaterally, with no formal agreement with the rest of the UK ('sterlingisation'); (c) join the euro; (d) introduce a new Scottish currency. The SNP once favoured both (c) and (d), but has now moved to (a).

That position is now simply unsus-

lor, on behalf of the Labour Party.

This position has been reiterated by all three on several occasions since then. It has also been strengthened by technical analysis set out in a speech in Edinburgh by Mark Carney, the Governor of the Bank of England, and confirmed in detail in the Scotland Analysis papers.

The most recent on a sterling union states: "There is no rule or principle in international law that would require the continuing UK to formally share its currency with an independent Scottish state. Independence means leaving the UK's monetary union and leaving the UK pound" (Scotland Analysis: Assessment of a sterling currency union. 13 February, 2014).

The reaction of the SNP is to claim this is 'bullying and bluff' and that following a decision by Scotland to become independent it would be in the

best interests of the rUK to agree a sterling union. This is not credible.

A currency union will only work if rUK taxpayers agree to underwrite deposits held in Scottish banks and Scotland allows the Bank of England to oversee the financial stability of both states.

In short, both Scotland and the rUK would need to cede some sovereignty to mitigate risk and safeguard financial stability in an independent Scotland and this has been ruled out.

Osborne concluded his speech as follows: he "could not recommend" that the rUK should enter into a currency union with an independent Scotland.

"That's not going to happen. The people of the rest of the UK would not accept it and Parliament would not pass it" ([www.gov.uk/speeches](http://www.gov.uk/speeches))

The refusal of the SNP to accept this



George Osborne MP



Danny Alexander MP



Ed Balls MP

tainable. On February 13th the Chancellor of the Exchequer, George Osborne (above), delivered a speech in Edinburgh ruling out any chance of negotiations between an independent Scotland and the rest of the UK (rUK) on a monetary union. The position was further strengthened with statements the same day by Danny Alexander (above), the Chief Secretary to the Treasury, on behalf of the Liberal Democrats and by Ed Balls (below), the Shadow Chancel-

situation raises questions about the quality of judgements being made by leading SNP figures who are not above their own 'bullying and bluff' tactics.

See, for example, recent statements by John Swinney, the SNP Minister of Finance, that Scotland might not assume its share of the UK national debt (some £100 billion) if a negotiated currency union is denied (BBC News Scotland, 7 March).

If, in fact, Scotland chose not to assume its share of the debt it would leave itself a 'hostage to fortune'. The bond markets would be hesitant to lend it money, except at a premium rate, and the rest of the international community, along with the rUK, could be expected to be sceptical of Scotland's probity and commitment, with all that means as to negotiations with the EU and others.

Scotland would, indeed, be exposed naked in the conference chamber.

Of course, Scotland can use the pound without the consent of the rUK. But such a strategy is to deny itself a monetary policy: it would have no power to issue money or reserves, borrowing would be more expensive, and it would have to absorb any shocks to the Scottish economy by reducing public spending or increasing taxes. It would signal the end of Scotland as a credible financial centre.

It is why the SNP created Fiscal Commission recommended against it. It is, however, where Scotland will end up should it vote for independence. It will be 'the worst of all worlds' given it has ruled out joining the euro or creating its own currency, either of which remains an alternative albeit ones the SNP refuses to consider.

### The Financial Sector

In 2010 the financial services sector contributed £8.8 billion to the Scottish economy and employed directly 85,000 people and indirectly 100,000.

It involves large banks such as the Bank of Scotland and the Royal Bank of Scotland (RBS), insurance and pension providers such as Standard Life and financial management firms such as Aberdeen Asset Management. In 2009 the finance sector sold nearly half (47%) of its output to the rUK (Scotland Analysis: Financial and banking services. 20 May, 2013).

RBS almost failed in 2008 and was taken over by the UK government. It provided some £320 billion to stabilise the bank, equivalent to 211% of the Scottish GDP that year.

The question must be asked as to whether an independent Scotland could have financed such a rescue plan out of

its own resources given that an independent Scotland would need to establish its own regulatory mechanisms for the financial sector, including financial consumer protection and its own deposits guarantee fund to compensate savers if a bank failed.

This becomes even more problematic if the total size of the financial sector is considered. Scottish banks have assets totalling around 1254% of an independent Scotland's GDP. This is well above a figure of 700% for Cyprus and 880% for Iceland where financial crises resulted in major bank failures. In September 2012 banking sector contingent liabilities were around £30,000 per capita for the UK but in an independent Scotland they are £65,000. This could be the cost to a Scottish taxpayer of a future banking crisis.

In short, there is considerable uncertainty as to whether a Scottish financial sector can be viable outside the current UK framework and whether an independent Scotland will still retain the confidence of financial markets.

These uncertainties have already led Alliance Trust, a Dundee based investment company, and Standard Life (90% of whose customers are south of the border) to commit to establish businesses in rUK should there be a 'yes' vote to independence.

And on March 11th, Mark Carney (above) told the House of Commons Treasury Committee that there was "a distinct possibility" that RBS would relocate to rUK following independence (BBC News Scotland, 11 March).

### Business

In Scotland, the services sector accounts for around three-quarters of GDP and 82% of employment. In general the performance of the Scottish economy is similar to that of the rUK with levels of productivity and employment broadly in line with the UK average (Scotland Analysis: Business and microeconomic framework. 2 July, 2013).

The Scotland Analysis report attributes much of this to the fact that the UK is a true domestic single market with no significant barriers between Scotland and the rUK. It argues this is of considerable benefit to both Scotland and the rUK.

In 2011 Scotland 'exported' £36 billion worth of goods and services to the rUK, around double what it exported to

the rest of the world, and 'imported' £49 billion. Among the leading export sectors were financial and professional services, food and drink, and energy.

In support of this activity is a shared business framework that allows for the development of effective common regulations, a unified labour market, a shared knowledge base and an integrated infrastructure.

An example is the free movement of labour between Scotland and the rUK, with around 34,000 people of working age moving in each direction in 2011. In all, some 700,000 people born in Scotland now live in the rUK while around 500,000 born in the rUK now live in Scotland.

Another example is foreign direct investment (FDI) with Scotland in 2012 the recipient of just under 11% of the FDI in the UK, which is in line with its share of GDP. An independent Scotland would find it more challenging to attract FDI unless it made considerable concessions to attract it.

In sum, the current business framework

provides 'economies of scale' which reduce the costs on doing business. Independence will erode these through the creation of new barriers in the form of differences in regulations and their enforcement, which will increase the costs and complexity of doing business.

That, of course, would massively increase were Scotland to have to adopt another currency than sterling. Business would have to bear the transaction cost of a change from sterling to the Scottish currency unit and vice versa, inevitably leading to cost and price increases and making business less competitive.

### Government Policy

Under devolution the Scottish government were given some limited powers to develop an economic policy. These were further enhanced with the Scotland Act of 2012, including additional tax raising and borrowing powers. The major part of Scottish government spending, however, is by way of a block grant from the UK government of around £30 billion annually.

Public spending per person in Scotland has been around 10% higher than the UK average.

The pro-independence campaign claim that the revenues Scotland gener-



Mark Carney



ates, onshore and offshore via North Sea oil and gas, more than cover its expenditure and are large enough to support independence.

Much of this revolves around North Sea oil. Since devolution, Scotland's geographical share of North Sea oil and gas receipts has fluctuated between £2 billion and £12 billion (from 2.4% to 8.3% of Scottish GDP).

The latest figure for 2012-13, reported in the Government Expenditure and Revenue Scotland (GERS) puts the receipts at £6.6 billion, a 41% drop over the previous year (BBC News Scotland, 12 March, 2014).

This demonstrates its volatility as a revenue source. Under the current funding arrangements of the block grant derived from UK wide taxation this volatility is accommodated and smoothed out to provide a stable source of funds year on year.

Under independence greater volatility would apply. In some years this would deliver a bonanza and in others a deficit in revenues.

The response by the SNP has been a proposal to create an oil fund, similar to that in Norway, which would act to smooth out oil and gas revenues by saving in good years and spending in bad years.

However, such a fund is expensive to establish. A study cited in the 'Scotland Analysis: macroeconomic and fiscal report' (3 September, 2013) suggests that starting from a balanced budget in 2016-17 (by no means a certainty as noted in the paragraph below) an independent Scotland would need to raise £8.4 billion in real terms, which implies either spending cuts of 13% from current levels or onshore tax rises of 18% for that year.

In fact, the situation might be even worse. A forecast by the UK Treasury on the government deficit for that year contrasts figures released by the SNP in its White Paper (Scotland's Future: Your guide to an independent Scotland, November 2013, p. 75) with those of independent forecasters.

This shows that the SNP forecast of a deficit of £5.5 billion in 2016-17 (£1020 per head) is significantly out of line with others and its own, which it gives as £9.1 billion (£1690 per head) (Further HM Treasury analysis on Scottish forecasts for the Scottish deficit in 2016-17, 11 March, 2014).

So much for the prosperity and feel-good factor the first year of independence would bring! And who knows how much oil and gas is left out there anyway? The SNP consistently assume

greater revenue from it than others do, as shown in the figures above where the difference is largely explained by SNP optimism on future returns from oil and gas.

Most others, however, suggest that tax revenues from North Sea oil and gas are on a long-term downward trend. This makes nonsense of many of the SNP's promises for more and better government services following independence.

#### The SNP Vision

In fact, the SNP vision for the Scottish economy set out in the White Paper (*Scotland's Future: Your guide to an independent Scotland*, November 2013) does not match realities.

The figures always err on the side of optimism and the process of moving toward independence is seen as a 'seamless transition' without significant disruption.

Take, for example, the comment on the currency where it states: "our proposal to continue to share the pound as our currency....would involve partner-

The only economic transformation that will take place under an SNP government in an independent Scotland will be toward capital and against labour.

ships and co-operation with other countries. However, the decisions on when to co-operate would be entirely ours to make" (White Paper p. 43).

The decision on whether to co-operate is not, of course, the SNP's decision alone and the proposal on the currency has already been rejected by the rUK.

The same applies to its bid for membership of the EU and for NATO, where the SNP assumes co-operation will be forthcoming and sees negotiations as a relatively simple matter between like-minded governments.

The statement by European Commission President Jose Barroso that "it would be extremely difficult, if not impossible" for an independent Scotland to join the EU has brutally exposed the weakness in this approach (BBC Scotland News, 16 February, 2014).

Take another comment: "Having responsibility for all economic levers in Scotland will allow us to transform our country....that builds on our existing strengths and which helps deliver a more outward focused, dynamic and resilient

economy" (White Paper p. 91).

The decision to unilaterally adopt sterling ('sterlingisation') effectively surrenders monetary policy to the rUK along with key aspects of fiscal policy. This is not the 'all economic levers' promised.

The policy on sterling also puts at risk an 'existing strength' in finance and a vote for independence an 'existing strength' in shipbuilding on the Clyde.

As the Scotland Analysis paper on Defence (8 October, 2014) put it: "The Ministry of Defence is, by far, the primary customer for the shipbuilding industry in Scotland ... In the event of independence, companies based in an independent Scottish state would no longer be eligible for contracts that the UK chose to place for national security reasons ... (other than during wartime) the UK has not had a complex warship built outside the UK since the start of the 20th century at least" (pp. 12-13).

And the arguments made earlier on oil and gas revenues show that far from Scotland being more 'resilient' it will be more vulnerable following independence.

In fact, the only argument that is remotely credible is the promise of an 'outward focus'. The SNP has staked the economic future of Scotland on developing "a supportive, competitive and dynamic business environment" (White Paper p.96) by attracting business through cuts in corporation tax and leaving untouched the current laws restricting employment rights. The only 'transformation' that will take place under an SNP government in an independent Scotland will be toward capital and against labour.

As the *Red Paper* (see previous article) on the White Paper concluded: "the proposals set out by the Scottish Government in its Independence White Paper ... surrenders the key powers over the economy to external institutions, the Bank of England and European Commission, institutions which inevitably enforce the same neo-liberal policies, on terms set by big business and finance, that are currently destroying jobs and welfare across Britain and the EU" (Red Paper Collective, 2013).

The sum and substance of the White Paper is not independence: it is the direct negation of it.

The way forward for the majority in both Scotland and the rest of the United Kingdom is the common and shared projection of an alternative economic policy that promotes public ownership, economic regeneration, full employment and a taxation system targeted to reducing inequality. And that is best done within a United Kingdom.