

# The Socialist Correspondent

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**Discussion, debate and authors' opinions:** To encourage the broadest possible discussion and debate around the aims of exposing capitalism and promoting socialism, we hope our readers appreciate that not all the opinions expressed by individual authors are necessarily those of The Socialist Correspondent.

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# The Socialist Correspondent

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## Finance Capital rules Britannia

The financial collapse of 2007 brought about by the banks, which we are still being made to pay for, was followed by the LIBOR (the London Interbank Offered Rate) scandal, when the manipulation of rates by the banks was revealed, and as Alex Davidson reports “we are about to get the FOREX (foreign exchange rates) scandal” in his article, “Finance Capital rules Britannia”.

It would appear that many of the big banks have been involved in the rigging of currency rates. With billions of dollars of currency being exchanged daily a difference of a fraction of a cent can add a “nice sum to the bonus pool”, writes Alex Davidson.

London is the biggest foreign currency trading market and is number one in the Global Financial Centres Index. The current wooing of China is intended to keep it there.

George Osborne’s announcement that he would be making it easier for Chinese investment banks to set up in the City is a reflection of this.

Finance Capital dominates the British capitalist economy and so, no matter the corruption and scandals, the City will continue to be defended by Cameron’s government. Meanwhile British industry is allowed to continue in its decades long decline.

## Ineos

“The recent dispute at Ineos, Grangemouth brought into sharp relief the vulnerability and precarious nature of what remains of British in-

## Commentary

dustry”, write Alex Davidson and Martin S. Gibson in their piece, “What lies ahead for Britain’s unions?”

Ratcliffe, the owner of Ineos, threatened to close the complex if the workers did not accept his ultimatum. In accepting the so-called Survival Plan the workers at Ineos now face much worse terms and conditions.

Their pension scheme has been changed for the worse, they will have to endure a three year pay freeze, less holidays and the trade union organisation has been weakened.

But it doesn’t end there, as Davidson and Gibson argue, Cameron’s Coalition government is now using the Ineos victory platform to further turn the screw against trade unions generally and UNITE in particular.

## Scotland’s economy and independence

If the Grangemouth plant had closed that would have been the end of oil refining in Scotland.

Alex Salmond was worried as that would have meant importing oil from England, not a good argument for an independent Scotland, and so his government gave £10m of taxpayers’ money to Ratcliffe.

Given, Ratcliffe’s strategy of opening up plants in the US and China to make use of cheaper shale oil, he may bale out of Grangemouth in 2017. A new buyer may well demand even more of taxpayers’ money.

In his article, “Scotland’s economy and independence”, Paul Sutton re-

views the UK government’s Scotland Analysis reports, dealing with economic questions.

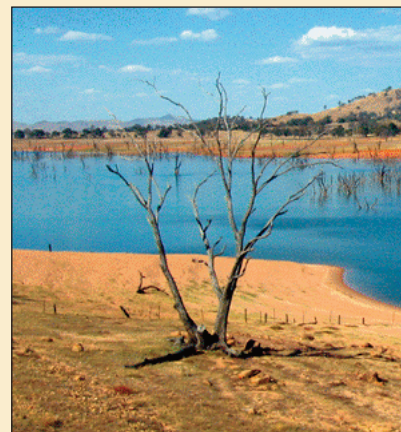
He discusses the currency options of an independent Scotland, the effects on the financial sector, business and government policy.

The conclusion is that independence will come with costs as essentially Scotland will still be run by British Finance Capital.

## Hungry planet

Greg Kaser in his “Hungry Planet – climate crisis”, writes that food production is highly vulnerable to climate change.

He explains the importance of the soil and its vulnerability. Soil erosion can be brought about by a number of

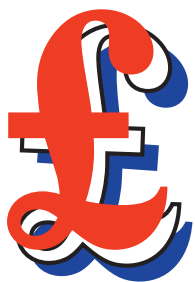


factors including drought, which can accelerate the process as happened in the American prairies leading to it becoming a dust bowl in the 1930s.

He quotes from the Organisation for Economic Cooperation and Development (OECD): “over the past several decades...land classified as very dry has more than doubled globally...”

He concludes, “Our future - a world suffering from acute food and water shortages - is already apparent” and adds, “As socialists we share many values with the Green movement ... but we have a class perspective as well ... Tackling climate change will require the mobilisation of people, technology and capital and since most technology and capital is in private hands this will not just be difficult, it may prove impossible in the absence of the public ownership of economic assets.”





# Finance Capital rules Britannia

**£3.3 trillion (\$5.3 trillion) is the size of the daily global trade in currencies. 41% of this trade is conducted in the City of London, the world's biggest foreign currency trading market. New York has less than half that figure.**

**By ALEX DAVIDSON**

Investigations have begun into the manipulation of FOREX (Foreign Exchange Market). Regulatory authorities in several countries including those of the UK, Switzerland and the US are conducting investigations into at least eight banks thought to have been involved in the rigging of currency rates. The banks include RBS, Barclays, HSBC, JP Morgan and Citigroup.

Regulators' concerns reportedly centre around abnormal movements ahead of a widely-used daily snapshot of exchange rates, known as the 4pm "London fix". It represents the average of prices agreed during 60 seconds trading, and is used as a reference rate to execute a much larger set of currency deals.

Bankers have huge incentives to nudge the price of a given currency pairing ahead of the fix. With billions of dollars changing hands, a difference of a fraction of a cent can add a nice sum to the bonus pool. By moving the markets ahead of the fix the dealers alter the rate to their profit and their clients' loss.

Regulators are looking at instant messages written by dealers including JP Morgan's chief London-based dealer, Richard Usher. Usher formerly worked at the Royal Bank of Scotland before joining JP Morgan in 2010.

Incidentally, JP Morgan is set to pay a record £8 billion to settle US investigations into its sale of bad mortgage loans to investors. It follows the sale of securities based on home loans in the run up to the financial crisis. Investors who bought them saw the value plunge when the US housing bubble burst. Although the payment will settle all civil claims, the bank could still face criminal charges.

Following the financial crisis of 2007/2008, there was the LIBOR (London Interbank Offered Rate) scandal when the manipulation of rates by the

banks was revealed and now we are about to get the FOREX scandal.

## Finance Capital Rules

The British Government continues to defend the City and that's because Britain is run by Finance Capital.

It was not surprising that the Chancellor, George Osborne, during his recent visit to China, announced that he would be making it easier for Chinese investment banks to set up in the City.

Chinese banks will be allowed to register as branches with the British financial regulator, meaning they will not need to hold as much capital within the UK to operate. At present, major Chinese banks must establish UK-based subsidiaries that are regulated locally to do business, making it more expensive in terms of capital and regulatory costs to set up London offices.

Allowing Chinese banks to operate through branches will put them on an equal footing with banks from other major economies, such as, US investment banks, Goldman Sachs and Morgan Stanley.

George Osborne has claimed that China and Britain "are the two countries who stand up most for free trade when these things are talked about around the table...so you know we have a huge shared interest, there is a very complex story of the Chinese Communist Party and how it came to run a very capitalist system but we have to engage with this country because it's a fifth of the world's population. (*Daily Telegraph*, 17 October 2013)

One recent high profile example of this UK-Chinese collaboration is the UK owned Ineos Refining business, which operates the Oil Refinery and Petro-Chemical Plant at Grangemouth on the south bank of the river Forth in

Scotland. Ineos entered into a 50/50 joint venture with the Chinese state oil company, Petrochina, to form Petroineos. (see article on next Page)

Britain has been transformed from a manufacturing and industrial country into a service economy dominated by finance capital. The enormous run-down and effective closure of the coal-mining, steel and shipbuilding industries in the 1980s has had a grave effect on lives and communities in Britain.

This industrial decline is reflected in a variety of ways. For example, in the low number and poor quality of apprenticeships in Britain compared to other countries. In England there were only 61,000 new apprenticeships starts for young people, while in Germany, there were 570,000 new apprenticeships. 50% of employers in Germany offer apprenticeships, while in England only 20% of employers offer new apprenticeships, according to research conducted by the Sutton Trust.

And, Chinese companies are moving in. For example, the Chinese telecommunications giant firm, Huawei, made a deal with British Telecommunications (BT) in 2005 to upgrade its copper broadband service and its equipment is also being used to build the 4G mobile phone network.

Osborne also announced a "super-priority" visa system for Chinese visitors. This pilot scheme will allow them to apply using the "Schengen form" – the single application accepted by Europe.

The UK accounts for only 7% of the total number of Chinese visitors to Europe, principally because it is difficult for them to secure a UK visa, compared with the ease of obtaining a Schengen visa allowing them to visit 26 European countries.

In 2012 Chinese visitors spent £262m in the so-called London Luxury Quarter, the high-end shopping area around Bond Street in central London. This was a 31% increase over 2011. The average spend was £1,656 per transaction – only Qatari visitors spent more.

One reason China is being wooed by Britain is to retain London as the pre-eminent global financial centre.

# After Ineos: what now for the unions?

The recent dispute at Ineos, Grangemouth brought into sharp relief the vulnerability and precarious nature of what remains of industry in Britain.

By **ALEX DAVIDSON** and **MARTIN S. GIBSON**

In 2004 British Petroleum (BP) divested some of its business and the sale included that of the Grangemouth Refinery and the connected petrochemicals complex, excluding the Kinneil terminal, which was retained by BP.

In 2005 the new company created was Innovene and later that year it was purchased by Ineos.

In 2011 the Ineos Refining business, which included both the Grangemouth and Lavera (near Marseilles, France) Refineries entered into a 50/50 joint venture with the Chinese state oil company, Petrochina, to form Petroineos.

Grangemouth and Lavera both process 210,000 barrels of crude oil daily. Grangemouth is the only oil refinery in Scotland. It supplies most of Scotland's fuel and much of Northern England. Along with the petro-chemical plants at Grangemouth it is the largest industrial complex in Scotland, contributing some £2 billion to the Scottish economy.

Ineos is a young company (established in 1998) but it has grown into a large company straddling the continents as the table and diagram, from Ineos' website, opposite show.

Ineos operates 51 manufacturing facilities in 11 countries supplying markets around the world. The very broad geographic earnings base is shown in the diagram opposite.

Ineos borrowed \$9 billion from three banks for its acquisitions and to effect growth. With the banking crash of 2007/2008 the 3 banks, led by Barclays, called in \$1 million and Ineos broke the covenant. "Tripped" is the word used by owner, Jim Ratcliffe.

Ineos had been based in England before the credit crunch but, when it broke the bank covenant and was also facing a large VAT bill, the company asked for a year's postponement and when that was not forthcoming Ineos moved to

<b>Ineos: a large company that straddles the continents</b>	
Turnover	\$43 billion
Employees	15,000
Production	60 million tonnes
Sites	51 manufacturing plants in 11 countries

Switzerland and a rather more attractive tax regime.

Jim Ratcliffe, the owner of Ineos, does not present his Swiss domicile as maximising profits but as maximising the cash available to re-invest.

At the same time as Ratcliffe moved to Switzerland Ineos proposed to change the pension terms of the workforce at Grangemouth and this led to a two-day strike in 2008.

In October 2013 the media reported accusations that UNITE the union was packing the Falkirk Constituency Labour Party with supporters to ensure the selection of Karie Murphy as the Labour Party candidate.

Jim Murphy MP and other right-wingers in the Labour Party took up the

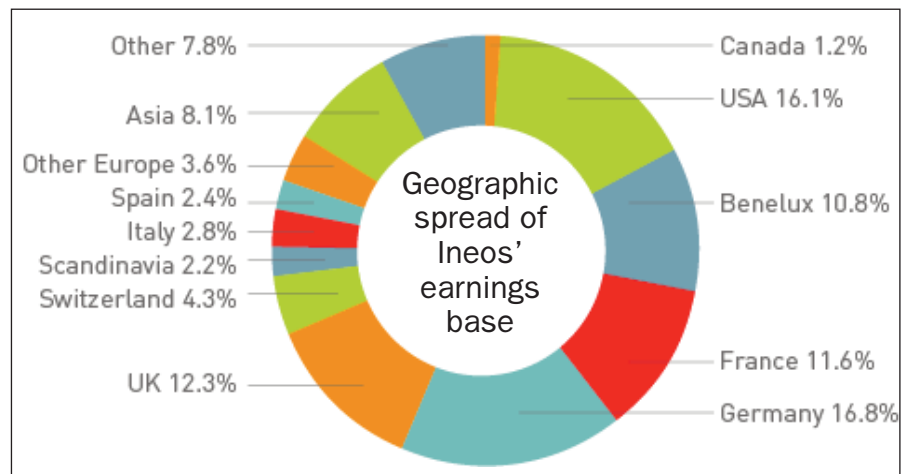
issue. This led to David Cameron using Prime Minister's Question Time to attack Ed Milliband and the Labour Party over its relationship to UNITE and trade unions in general. Milliband gave a knee-jerk reaction and stated that the funding relationship between the trade unions and the Labour Party would change.

Karie Murphy and Steven Deans, Constituency chair and also Convener of shop stewards at Grangemouth were suspended and a Labour Party investigation was opened.

The investigation found there were no questions to answer as did the Police investigation. Murphy and Deans were reinstated. Milliband also qualified his proposed change in the funding relationship with the trade unions. He indicated that it would now be reviewed after the General Election. One presumes he was told the funding could not be replaced between now and the election.

Ineos had begun its own investigation into Deans's Labour Party activities whilst acting as Convener at the plant. UNITE called a strike over this. Ineos closed the plant citing safety reasons and when the talks at ACAS broke down they said that they would permanently shut the plant unless the workforce accepted the management's Survival Plan.

In justification of their Survival Plan Ineos claimed that Grangemouth was losing £10 million every month and had lost some £579 million in the last four years. UNITE disputed these figures.





The Ineos oil refinery and petro-chemicals plant at Grangemouth on the Firth of Forth.

This £579 million “loss” claim is not a loss in conventional terms. Most of it is capital expenditure. Capital expenditure is only usually committed if profits are expected to flow from it in the future. But Ineos claims that it doesn’t expect to make profits in the next five years at Grangemouth and so it has written down the petro-chemical plant’s valuation from nearly £400 million to zero.

UNITE’s analysis is that a tax deferral of £117million in the most recent accounts implied £1/2 billion in profits over the next few years.

Ineos’s reponse was, such is the structure of the company’s operations that those profits can be made in other Ineos plants around Britain. Even if the subsidiary is called Ineos Grangemouth Ltd, its tax deferrals can be applied to any one of another 20-plus subsidiaries of Ineos.

However, “getting to the bottom of Ineos’ accounts would be impossible” commented the economist, Alf Young (Scotland Tonight, STV, 22 October 2013). This was also the conclusion of Douglas Fraser, BBC Business Editor, when he wrote, “...there’s not much point in an outsider trying to fathom the accounts.” (18 October 2013)

Those workers voting to accept the Survival Plan would receive £2,500 - £15,000 in compensation. About half the workforce are members of UNITE

and some 65% voted to reject the Plan.

During the 11th hour discussions with the Scottish and British Governments, Ineos secured £10 million as investment from the Scottish Government and some £125 million of a guaranteed loan from the British Government.

Closure of the plant would have meant that Scotland would not have a single oil refinery (see map opposite of Refineries in Britain). Alex Salmond was well aware that would settle the question of Independence and not in his favour.

With the threatened closure of the plant and the loss of some 1400 jobs plus up to 10,000 related jobs UNITE accepted the ultimatum.

The Survival Plan includes a three year pay freeze, the end of the final salary pension scheme, reduced holidays and no more full-time trade union conveners of shop stewards.

It was a heavy defeat for the union and the workforce.

#### What now for the unions?

While the dispute is over its industrial and political ramifications are far from concluded.

On Sunday 17 Novemebr, 2013, Prime Minister, David Cameron launched an inquiry into the so-called “leverage” actions employed by UNITE activists during the dispute. Cameron’s inquiry will be headed by Bruce Carr

QC and its remit is to examine whether the law needs to be tightened to prevent those actions which Cameron described on 31 October as “quite shocking.”

Cameron said, “No-one has a right to intimidate. Nobody has a right to bully. Nobody has a right to threaten people’s families. No-one has a right to threaten people in their homes. If these things have happened, it is very serious. It needs to be properly examined.” (BBC News 31 October 2013).

This from the Tory leader who zealously sent British war planes to bully and bomb the state of Libya into its current chaotic state of violence and submission to the will of imperialism, and who wishes he could do the same to Syria.

UNITE has said it will not cooperate with Cameron’s inquiry describing it as a Tory stunt. It has also defended its leverage tactics of targeting employers, arguing that bad employers should have nowhere to hide. It further claims that its tactics are legitimate and legal.

The fact that Cameron has launched an inquiry to change the law suggests the union is absolutely right on this count. But for how long? His inquiry will report in six months time and no doubt its proceedings will result in plenty of Tory press union-bashing and sacks full of grist to Cameron’s mill of more anti-trades union legislation.

And you can bet your mortgage on the

certainty that Cameron won't kick this inquiry's recommendations into the same long grass as he booted the Leveson inquiry's into our Tory-dominated press.

Joining a trades union is still the best way for all workers to defend themselves at their place of work, improve their rights, pay and conditions and generally resist the ravages of capitalist economic crises.

According to the new Bank of England Governor, Mark Carney Britain's econ-

omy is growing again. The last thing Cameron and the Tories want is for British workers to stir themselves into struggles that might just seriously challenge the Government's economic austerity measures and public sector cuts: measures and cuts that still have several years to run and very much more damage to do.

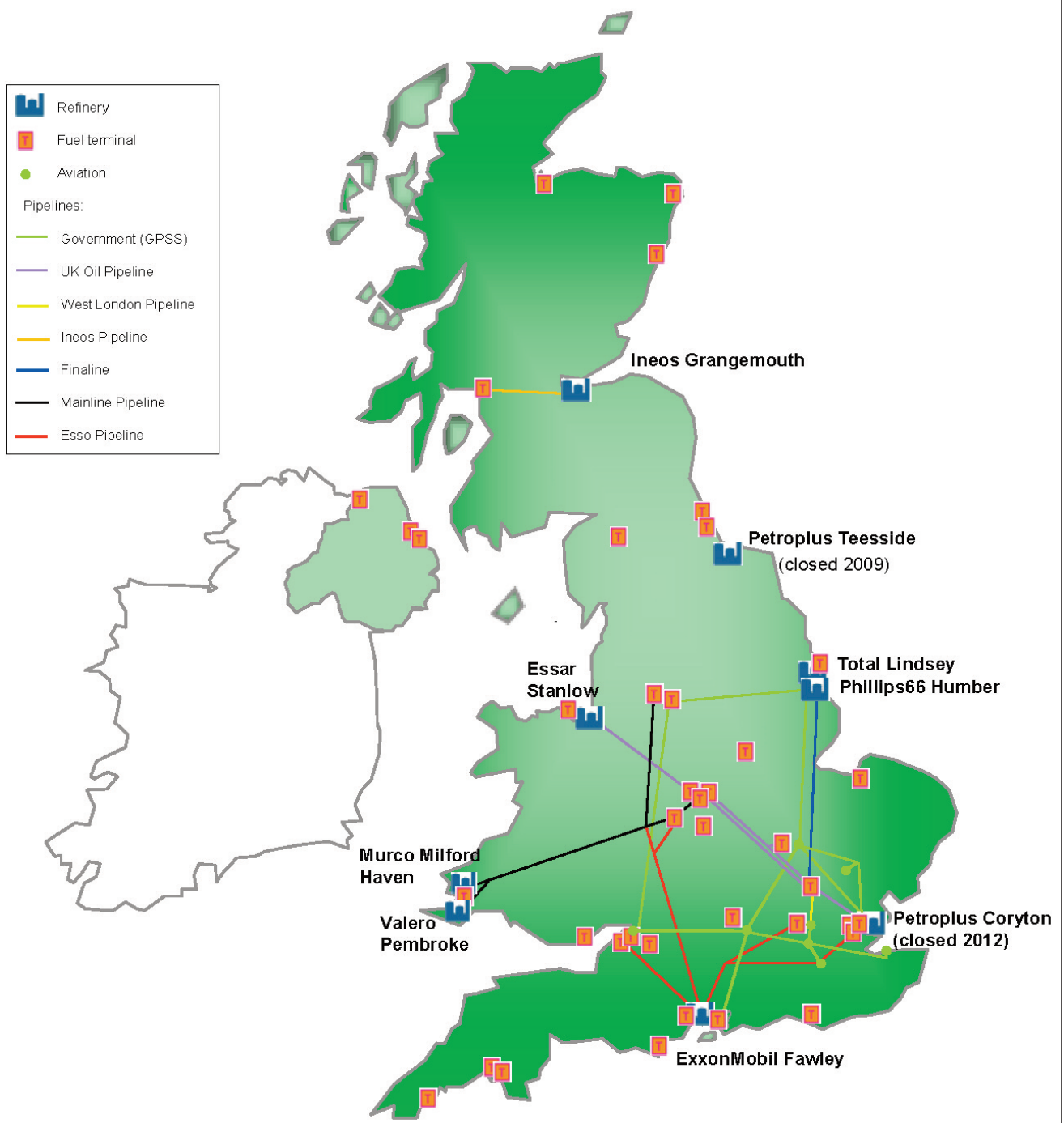
As with Margaret Thatcher's victory over the miners a generation ago,

Cameron now seeks to consolidate the Ineos owners' and British state monopoly capitalism's victory over the workers and their union at Grangemouth.

He will do that with his inquiry and laws to further fetter working class struggle and solidarity. Stand by for "quite shocking" tales of how UNITE's big bad bogey men frightened Ineos's innocent bosses in the sanctuary of their mansions and yacht clubs.

## UK refining & product distribution terminals

(indicative summary only - does not show all locations)



# American fast-food workers take action

Low-wage fast-food and retail workers in the United States have been taking unprecedented action over the last year.

By **ALEX DAVIDSON**

The Fight for \$15 per hour (FF15) campaign started in November 2012, then erupted in the spring of 2013, as workers walked off the job in New York, then Chicago, then St. Louis, Milwaukee, Detroit, and Seattle. Seven cities organised a second week of one-day strikes at the end of July.

Then, on August 29, there were strikes in 62 cities around two principal demands: \$15 an hour minimum wage and the right to form a union without retaliation.

The strikes at fast-food companies including McDonalds, Pizza Hut, KFC, Subway, Burger King and Wendy's involved many workers who had never been on strike before and most of whom prior to the strikes were not in a union. The strikes achieved nationwide publicity.

The average wage for fast-food work-

ers is \$8.69 and an estimated 87% of fast-food workers do not receive health benefits. 68% of fast-food workers are the main earners in their families and more than 25% have children.

As a result of the action gains have been made with some of the workers winning pay increases and improved conditions. Perhaps the biggest gain has been the confidence and organisation that has come through their struggle.

Some recent reports<sup>(1)</sup> have shed light on the high cost of low wages in the fast food industry. The reports argue that low wages in the fast food industry cost US taxpayers nearly \$7 billion annually.

Medicaid and CHIP (the Children's Health Insurance Program) account for more than half of the \$7 billion.

In addition, fast-food workers' families also receive an annual average of

\$1.04 billion in food stamp benefits and \$1.91 billion in Earned Income Tax Credit payments.

According to the report, Fast-food, Poverty Wages, "fast-food jobs pay so little that 52% of families of front-line fast-food workers rely on public assistance programs".

This means that US taxpayers are directly subsidising the enormous profits of the fast-food companies.

The ten largest food companies made more than \$7.4 billion in profits in 2012 and paid their top executives more than \$53 million in salaries. The industry is dominated by McDonalds, which made a profit of \$5.4 billion in 2012.

Footnote

1. *Super Sizing Public Costs: How Low Wages at Top Fast-Food Chains Leave Taxpayers Footing the Bill* was published by the National Employment Law Project and Fast-Food, Poverty Wages: *The Public Cost of Low-Wage Jobs in the Fast-Food Industry* was published by the University of California Labor Center.

## Is the US fast-food workers' action effective?

**MICAH UETRICH** of the *In These Times* publication questions three union organisers. (Posted by Portside on September 20, 2013)

As Occupy Wall Street did in 2011, strikers have focused the national narrative on the appalling inequality of 21st century America and the evaporation of well-paying jobs with benefits.

But as the campaign - backed by the Service Employees International Union (SEIU) - has advanced, some in labor have worried that the strikes focus entirely on shifting the narrative around low-wage work while giving long-term organizing among low-wage workers themselves short shrift.

To discuss the campaign, *In These Times* turned to **Peter Olney**, organizing director of the International Longshore and Warehouse Union, and a former SEIU organizer; **Jane McAlevey**, former SEIU national deputy director of strate-

gic campaigns and SEIU Nevada ex-executive director, who chronicled her experiences in *Raising Expectations (And Raising Hell): My Decade Fighting for the Labor Movement* (Verso); and **Trish Kahle**, a worker at Whole Foods and a member of the SEIU-backed Workers Organizing Committee of Chicago, a new union that is leading the Fight for 15 campaign. Representatives of SEIU were invited to participate in this discussion but declined.

**What has the campaign accomplished so far?**

**Trish:** We had been trying to organize at Whole Foods for at least five months in Chicago, but no unions thought it was worth investing in a campaign.

Fight for 15 gave us resources to actually organize at work. After the April 24 strike, the organizers at our store and many other stores got raises - I got a \$1.50 raise and other people got small promotions. We also got management to agree to a new attendance policy. And now we actually have a water cooler and a place where we can take breaks.

Fight for 15 is giving people an idea of how organizing works.

**Jane:** Any time we're talking about inequality nationally, it's a good thing. Many people have long argued that the labor movement needs to act on behalf of the entire working class. SEIU is doing that here.

**Some say Fight for 15 is little more than a PR campaign - do you agree?**

**Trish:** Among organizers, the campaign's purpose is debated. For example, on August 29, staff were making



**Chicago  
31 July 2013.  
Employees and  
union activists  
protest outside  
a Whole Foods  
store.**



sure as many cities struck as possible, regardless of the level of organization—rather than actually organizing and exerting more power in certain workplaces.

At the same time, the “minority strike” has brought a lot of organizing into the open. That has to translate into deepening the organizing and developing rank-and-file leaders.

**Peter:** At the Bay Area August 29 rally, there was a huge turnout of supporters, but a negligible number of fast-food workers. An organizer told me that 72 workers were present at a meeting to authorize a strike in 40 fast-food outlets and that about 40 workers walked.

The action got tremendous press, but I’m concerned about actual participation by workers and what kind of organization is built in the long run.

**Trish:** The organization is extremely uneven—across the country and even in Chicago. At places like Whole Foods, Subway and Dunkin Donuts, there is a high level of worker organization.

Chicago Dunkin Donuts workers’ air conditioning went off during a heat wave, and they phoned the union office and said, “We are going on strike. We put a padlock on the door. We need you to come down and support us.”

That shows a level of worker driven activity that is not present at every workplace. And so the question for me is how we actually get to that level. I’m not sure the PR tactic that relies on the goodwill of politicians and community organizations is the best or most direct way.

In Chicago, half of our staff is in research, communications and outreach, and half is dedicated to turf organizing. We would want to see that shift toward more organizing in the stores.

**Jane:** Nationally, some of the bigger unions are tending toward advocacy work, and to me that is the wrong direction.

In the last 15 years, a lot of money has been donated to PR and research. But we need money and resources devoted to teaching workers about how to use their own power - city by city, shop by shop - to win real gains.

**In Salon, Josh Eidelson reported that academics and SEIU leaders have discussed two potential endgames for the campaign - reaching some kind of agreement with fast-food companies, and launching city-level campaigns to pass living-wage laws. Your reaction?**

**Jane:** For a decade, SEIU was making top-down deals with little or no rank and-file involvement, like deals with nursing homes that exchanged unionization for a legislative push to prevent patients from suing nursing homes. Those are the kind of deals we don’t need with fast-food chains.

Not all deals are bad. But the question is, “Who’s involved in making them?” Is there actually a structure where fast-food workers are significantly involved?

It’s not clear from the description Peter gave of the Bay Area, or here in New York - though it may be more clear in Chicago, it sounds like from Trish - that there is a structure that involves workers in making smart decisions.

**Trish:** I think the legislative approach would be too fast-track. We need some sort of city-wide organization, where, for example, every organized fast-food store could be covered by the same contract.

And any sort of deal we get has to include the right to strike. With the wide variation among shops, that’s really the only way for us to be able to effectively enforce a deal.

**What specific challenges does organizing the fast-food sector pose?**

**Peter:** Unlike SEIU’s previous victories with janitors—where the union already

had a mighty fortress of organized commercial janitor locals in NY, Chicago and SF as a base to organize from - and with homecare workers - where you had public financing and could mobilize public power - in Wal-Mart, or the fast food industry, you’re starting with a blank slate and doing pure private sector organizing.

That will require a long-term commitment of resources, and particularly a commitment of creative and bright organizers like Trish who are willing to dedicate their lives to building power from the bottom up, and creating networks across a city and a region.

The organization of the West Coast Waterfront took at least 12 years of organizing by Harry Bridges and others. It involved failed strikes and failed organizing drives, but culminated in 1934 with the West Coast waterfront strike and the general strike in San Francisco. And that required incredible fortitude.

**Jane:** We still have 14 million union members in this country. A more strategic approach to this would be a relational model, where you start with your members, and you chart all the organic relationships that your members have, and you begin with the workers themselves building off of existing social networks.

**Final thoughts?**

**Peter:** Workers are walking out on strike and going back to work with impunity, at least initially. But then what we’re seeing on the Wal-Mart campaign, and certainly we’ll see it in the fast food campaign, is firings six months later for absenteeism or some other trumped-up infraction.

How can we defend these workers? And how do we prevent a chilling effect on the rest of the workforce if we don’t have the organization necessary to defend the fired workers?

**Jane:** Anything that encourages direct action is good. It’d be good if other unions were at least attempting new stuff like SEIU is currently doing. If organizers in every city, every region, every part of the country put their heads together, there could be a strategy to work together with the existing rank-and-file membership and go for power.

**Trish:** What Fight for 15 has taught us is that if we fight we can win. We already started making gains at work. We’ve united when no one thought we could.

So if any low wage workers see this, I would encourage them to join us. The more united we are, the stronger we are. This is a historic moment, and I think when people look back, they’re going to say we did something amazing that no one believed we could do.

# Scotland's economy and independence

The referendum on independence for Scotland will be held on 18 September 2014. In anticipation of this event a series of polls were published reporting current opinion in Scotland.

By **PAUL SUTTON**

The main fact to emerge was that opinion had remained remarkably consistent at around 33% for independence, 50% opposed and 17% undecided (see the *What Scotland Thinks* website).

What also emerged was that the economic costs or benefits of independence will be the key factor in determining how people vote.

An ICM poll found that 47% would support independence if they thought they would be £500 a year better off while only 18% would support independence if they thought they would be £500 a year worse off.

In more general terms, 48% thought independence would be bad for the economy as against 31% who thought it would be good, with 6% saying it would make no difference and 14% saying they did not know (*The Herald*, 16 September 2013).

In the referendum battle 'economics' will be crucial and on this subject the 'no to independence' has a head start. In February 2013 the UK government launched its Scotland Analysis reports which present the case for the continued union of Scotland with the rest of the United Kingdom (RUK).

To date, six reports have been issued, four of which analyse the economic arguments ([www.gov.uk/scotlandanalysis](http://www.gov.uk/scotlandanalysis)).

## The Currency

The first, and in many ways the most important symbolically, dealt with the currency. An independent Scotland would have four choices: (a) continue to use sterling with a formal agreement with the RUK (a sterling currency union); (b) use sterling unilaterally, with no formal agreement with the RUK ('sterlingisation'); (c) join the euro; (d) introduce a new Scottish currency.

The Scottish National Party (SNP), which is the core of the pro-independence campaign, once favoured both (c) and (d), but has now moved to (a).

In so doing, however, it leaves itself a 'hostage to fortune'. All would depend on negotiations with the RUK following a 'yes' for independence in the referendum and it is by no means clear what the position of the RUK would be.

At the same time it is clear that Scotland would be negotiating from a position of weakness given both the relative size of its economy (at one tenth that of the RUK) and the increased risk to its

economy as a small vulnerable state.

In these circumstances the claim of the pro-independence camp that it could reach an agreement with the RUK that would be equally advantageous and beneficial to both is not convincing.

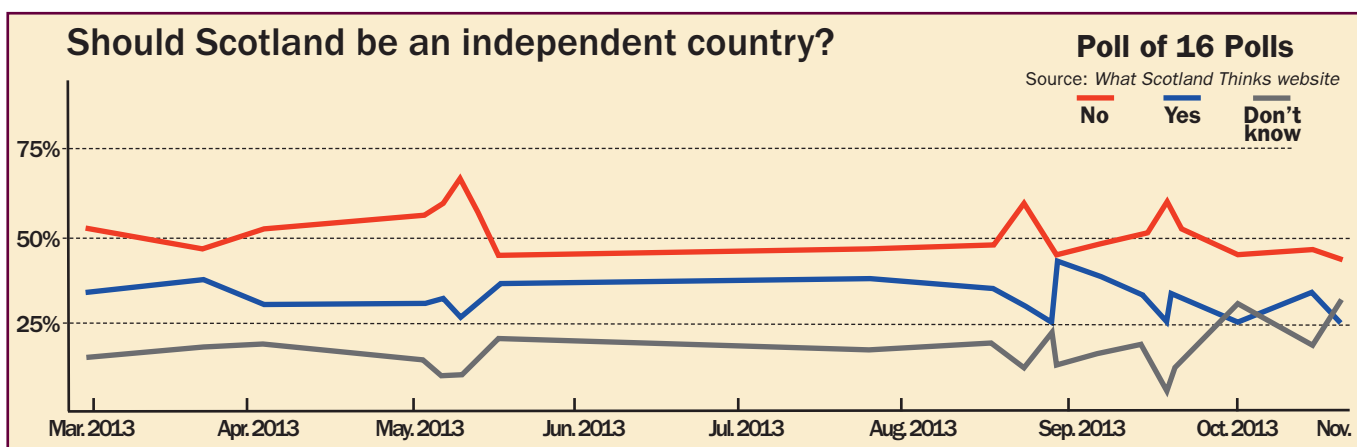
It will also be increasingly difficult to manage. At present, the Scottish economy is similar in many ways to that of the RUK, including its business cycle.

An independent Scotland with its own powers of spending and taxation (fiscal policy), among other things, would increasingly diverge from the RUK meaning that economic integration is weakened and that ultimately what the RUK decides is in its best interests for sterling may not be in the best interests of Scotland.

The recent crisis in the Eurozone between the smaller southern countries and stronger northern countries immediately comes to mind.

In fact, even if matters at the beginning were somehow to be beneficial to Scotland it is likely that over time it would end up in position (b) of de facto 'sterlingisation' i.e. where it had no control over its monetary policy and so would be constrained in both its fiscal policy and its ability to market itself as a financial centre.

Scotland could seek to join the euro. That cannot be ruled out as a future option given the problems identified above. But at present that is unattractive given its integration with and similarity to the RUK economy and would require Scot-



land to negotiate with the Eurozone for entry, including acceptance of the terms underlying the fiscal and stability pacts.

These would place limits on government spending in Scotland driving a 'coach and horses' through the much touted SNP proposals for more and better government services than in the RUK.

Lastly Scotland could adopt its own currency. This was once the real symbol of independence but it would come with costs.

One would be the simple one of 'transaction costs' i.e. the costs of exchanging the 'wallace' (or whatever it would be called) for the 'pound' and back-again with its main trading partner, the RUK.

Inevitably this would make Scotland less competitive in what it sells to the RUK i.e. all goods and services would bear a currency transaction cost, while at the same time increasing the costs of its imports from the RUK.

Another cost would be the higher costs of servicing its share of the national debt inherited at independence given the smallness and associated volatility of its economy which would increase the cost of borrowing via higher interest rates charged by the international capital markets.

In turn, this would impact on fiscal policy and plans for government spending. It could also mean higher mortgage, pension and insurance costs. The pro-independence camp has asserted that

Scotland could continue as a major financial centre. The Scotland Analysis report on finance throws this into doubt.

#### 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) and insurance providers such as Standard Life. In 2009 the finance sector sold nearly half (47%) of its output to the RUK.

With independence this would have to change. 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.

RBS almost failed in 2008 and was essentially 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.

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 without paying a 'risk premium' on finance it accesses from them.

There have been rumours that Standard Life, the largest financial company in Scotland still under Scottish control, would move its headquarters to London if Scotland opted for independence. It would not be surprising given that 90% of its customers are south of the border (*Scotland Business, BBC News, 7 September 2013*).

#### 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 in line with the UK average and levels of employment (around 71%) much the same.

The Scotland Analysis report on business attributes much of this to the fact that the UK is a true domestic single market with no significant barriers be-



The "Old Bank", the Bank of Scotland, The Mound, Edinburgh, now part of the Lloyds Banking group, was established in 1695 by an Act of the Scottish Parliament a year after the Bank of England was founded.



The "New Bank", the Royal Bank of Scotland (RBS), St. Andrew Square, Edinburgh received its royal charter in 1727. The UK Government has in recent times provided £320 billion to stabilise RBS.

tween 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.

In sum, the current business framework provides 'economies of scale' which reduce the costs on doing business. Independence, it is argued, will erode these through the creation of new barriers in the form of differences in regulations and their enforcement, which will increase the costs to business and households.

One estimate is that this 'border effect' will reduce the level of real income in the Scottish economy by about 4% after 30 years.

### 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.

The fourth Scotland Analysis report on macroeconomic policy claims that public spending per person in Scotland has been around 10% higher than the UK average. The pro-independence campaign claim that the revenues Scotland generates, 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). 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.

This was admitted in a leaked report written for the Scottish government which anticipated problems and forecast that in 2016-17 it would, on attaining full independence, experience problems that would make it worse off than the RUK (*The Guardian*, 6 March 2013).

The response to this has been the 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.



North Sea oil rig in the Cromarty Firth, Scotland.

A study cited in the Scotland Analysis report suggests that starting from a balanced budget in 2016-17 (by no means a certainty as noted in the previous paragraph) 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.

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? Most estimates suggest that tax revenues from North Sea oil and gas are on a long-term downward trend.

### SNP ignore reports

The four Scotland Analysis reports do not consider the question of whether an independent Scotland would be viable or not.

Instead they make the claim, repeated a number of times in the reports, that Scotland currently gets 'the best of both worlds' i.e. the economic benefits of union with the RUK plus a degree of political and economic autonomy that allow it to fashion policies in the economic interests of the Scottish people. The message that emerges is thus 'better together' – the name of the 'no to independence' campaign.

They thus directly serve the interests of this campaign. But they do so in a way which is hard to refute. The reports are written in an academic style and present carefully researched arguments supported by official statistics. They will not be easy to refute.

Perhaps that is why the policy of the SNP and the pro-independence campaign until now has largely been to ignore them.

For example, when the report on finance appeared, John Swinney, the SNP Finance minister, dismissed it with the comment that "the Treasury's creative accounting on behalf of the no campaign simply does not add up. It does not reflect the reality of how financial services operate or stand up to expert scrutiny" (*The Guardian*, 20 May 2013).

Scrutiny by whom, we may ask? The unbiased SNP? However, there is one key consideration that is essential. The four reports present windows on distinct parts of the economy - they need to be brought together in a common framework if sense is to be made of them. That involves consideration of theory and policy judgement.

The theory infusing the reports is not surprisingly 'neo-liberal' and makes the case that a capitalist Scotland works best within a united UK.

The four reports do present coherent arguments and more crucially provide facts and raise questions which are essential to the debate on independence. They make it clear that independence will come with costs.

In an interview with *The Observer* (14 July 2013) Alex Salmond, the leader of the SNP and First minister for Scotland, stated: "Independence will come to Scotland on a rising tide of expectations....for decency, and the reasonably secure belief that the country will be all right economically. This, coupled with a belief that we will be better socially, is an irresistible combination". In other words, this is the winning formulae for the 'yes to independence' campaign.

Prosperity must be guaranteed. The economic facts, however, do not bear this out. Rising expectations will not be met. Independence by itself will not do so - rather the reverse.

# Syria: cynical lies, false intelligence

There is ample evidence of outside interference in the war in Syria. The *Daily Telegraph* has covered some of it.

By PAT TURNBULL

On 28th June 'leaked CIA plans' indicated that 'the United States plans to start supplying arms directly to Syrian rebels within a month ... as it emerged that the CIA has begun shipping weapons to a secret network of warehouses in neighbouring Jordan. ... The arms supplies are intended to be in the hands of the rebels before an offensive against Bashar al-Assad's regime is launched in early August, according to the Wall Street Journal. ... Saudi Arabia has promised to dispatch up to 20 shoulder-fired surface-to-air missiles, capable of taking down regime fighter jets.'

On 31st July Shashank Joshi, in a piece entitled 'Syria lies in pieces and it will not be fixed', wrote: 'About 5,000 Sunni fighters from 60 countries have joined the rebellion, making it the second-largest destination for foreign fighters in modern history. (In first place is eighties Afghanistan, but Syria may soon beat those numbers).'

On 8th August the *Daily Telegraph* reported 'the fall of the largest air-base in the north after a year-long siege ... Al-Menagh airbase was taken on Monday by the group Jaish al-Muhajireen wa Ansar, which is made up almost exclusively of foreigners, including Britons, other Europeans and North Americans. The faction is led by Abu Omar al-Shishtani, a veteran jihadist from Georgia who cut his teeth in the Caucasus fighting Russian troops.' According to Charles Lister, an analyst with IHS Jane's Terrorism and Insurgency Centre, this was "the

first big base seizure by the opposition for several months. But because it is under the control of the jihadist groups it shows the importance of their role in the fighting."

At the same time there have been reports indicating the growing success of the Syrian government and army.

On 24th July under the heading 'Disillusioned and exhausted, rebels drift back to Assad' the *Daily Telegraph* reported 'growing numbers of rebels are signing up to a negotiated amnesty offered by the Assad regime. At the same time, the families of retreating fighters have begun quietly moving back to government-controlled territory, seen as a safer place to live ... the regime ... has established a so-called "ministry of reconciliation" with the task of easing the way for former opponents to return to the government side.'

Minister Ali Haider, 'who has a reputation as a moderate within the regime, has established a system in which the opposition fighters give up their weapons in exchange for safe passage to government-held areas ... In the days before the regime took the town of Qusayr last month, the *Daily Telegraph* saw mediators on the Lebanese border work with the Syrian army to secure an amnesty for fighters wanting to surrender. The phone rang with desperate calls from the parents of the rebels. "These mothers know that this is the last chance for their sons. If they don't give up their weapons now they will die because they are losing the battle," said Ali Fayeze Uwad, the

mediator.' Eye-witness report secured in June – but only published in late July!

6th August: 'In past months the Syrian army, supported by militias funded by Iran and Iraq, has made a series of military gains, pushing rebel groups from much of the centre of the country.'

8th August: 'Syrian government troops killed 62 rebels in a dawn ambush on a key opposition smuggling route into Damascus. ... The capture of the smuggling route is a coup for the Syrian regime, which has stepped up the campaign in recent months to crush opposition cells that have held some suburbs in Damascus for more than a year.'

This is the context in which the 22nd August report appears under the headline, 'Assad regime is accused of killing hundreds in Syrian gas attacks.' Continuing it said, 'The alleged attack came just three days after UN experts arrived in Damascus to establish whether Syria has used chemical weapons. ... The regime adamantly denied that gas had been used, calling these reports "baseless" – a denial that has been repeated ever since.'

On 28th August Sqn Ldr Tom Mitcham (Retd) wrote a letter to the *Daily Telegraph*: 'In 2003 I was a member of the team searching in vain for Weapons of Mass Destruction in Iraq ... There are probably elements within the rebel coalition who would be prepared to sacrifice citizens to achieve their objectives. I have no wish to defend Assad, but I do hope that the same sort of cynical lies and false intelligence that led American and British forces to destroy the government, army, law enforcement and infrastructure of Iraq, will not be the agent for similar precipitate, drastic action in Syria.'

On 12 September 2013 *Granma International* printed an article by Oscar Sanchez Serra, entitled 'Why is the United States attacking Syria?' Excerpts from Serra's article appear below.

■ Paul Farrell, US columnist and financial analyst, stated last April that the United States needed a new war, in order for capital to thrive. He ironically commented then, in a brief note which appeared in *Russia Today*, "Didn't WWII

get us out of the Great Depression?" He capped this statement off with data which informs his thesis that wars benefit capitalists above all. The *Forbes* list of world billionaires skyrocketed from 322 in 2000 to 1,426 recently, 31%

of them being American.

■ Marcelo Colossi, Argentine psychologist, professor, writer, journalist and full-time activist for social justice and global dignity ... passes his verdict that today, US power is based on wars, always

Continued on page 18

# The hungry planet - climate crisis

The future is written in the present suggests Alex Mitchell, and it is already clear how global warming will affect us. Food production is highly vulnerable to climate change.

By **GREG KASER**

Many of the world's most productive agricultural regions are at risk and without socialist solutions to plan their water resources and support farmers adapt, there is bound to be more hunger around the world in the years ahead.

Little has improved since the failure of the Copenhagen summit to agree a treaty to supplement the Kyoto protocol on climate change.

In *The Socialist Correspondent* issue No. 8 (2010) I wrote that "the so-called deal" reached at Copenhagen was unlikely to prevent global warming exceeding 2°C. The aim of the climate talks was to limit the concentration of greenhouse gasses (GHGs) in the

atmosphere to 450 parts per million.

Today the Intergovernmental Panel on Climate Change (IPCC) appears to accept that the pledges subsequently made by governments "are broadly consistent with stabilisation at 550 ppm CO<sub>2</sub> equivalent" – an increase of more than 20% over the original target.

If those pledges are not translated into action, and emissions continue to grow under a 'business as usual' scenario, then the IPCC expect GHG concentrations to reach 850 ppm by the end of the century.

This puts the planet on a trajectory for a 4° rise in average temperature. The New York Times reported recently (21

January 2013) that "in the coming century, the earth is expected to warm four or five degrees" making "a huge increase of sea level inevitable".

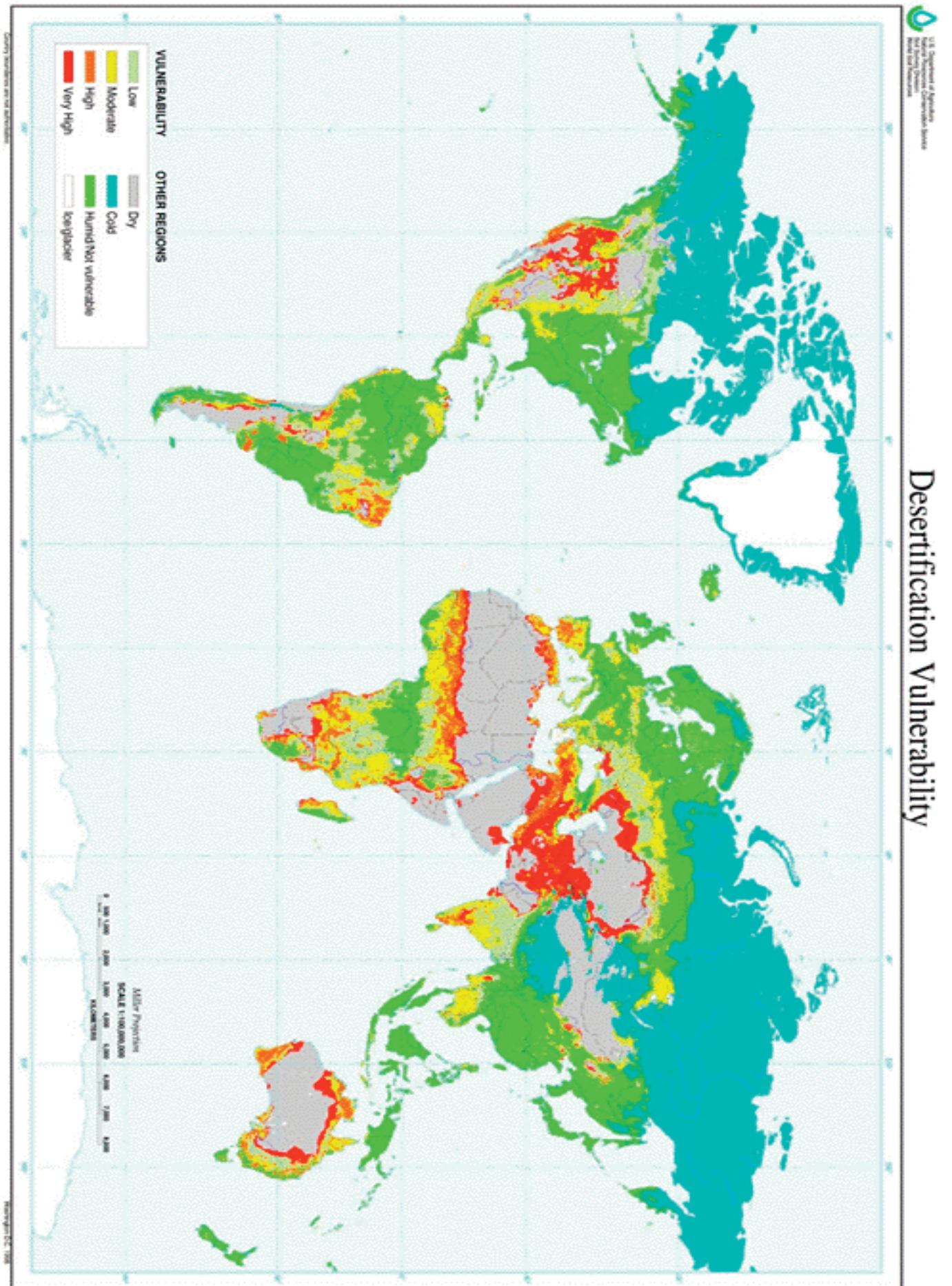
The report adds that "experts fear that because the world's coasts are so densely settled, the rising oceans will lead to a humanitarian crisis lasting many hundreds of years".

A rise of several metres in the sea level is not our biggest problem however. Many cities can be rebuilt on higher ground and the rise will be slow, with the poorest being displaced first as they tend to live nearest the water's edge. But there is time for local councils to plan. The bigger problem lies at ground level – in the soil beneath our feet.

## The importance of soils

The soil is loose rock infused with organic materials, water and gasses. It is like the planet's skin and stores the nutrients and moisture critical for plant





life. It is one of the most abundant ecosystems on Earth but it also vulnerable to the weather. Soil erosion can be intensified by poor land management practices such as over-grazing or deep-ploughing that allow high water run-off, or the wind, to reduce the topsoil.

Without the topsoil plants will die and it can take 500 years for the soil to reform. Droughts may accelerate soil erosion, which is how the American prairie became a dust bowl in the 1930s.

Under President Roosevelt, the government trained farmers in soil conservation techniques, and then paid them to adopt these methods. A huge wind break of trees from the Canadian border to Texas was created to shelter the plains.

Soil fertility may also be damaged through acidification or salination, which normally arises from a combination of inappropriate cultivation and adverse weather conditions.

High agricultural yields require healthy plant growth which is dependent on good soils and watering. Farmers replenish the soil's fertility by composting and introducing mineral fertilisers that add ammonium and nitrates.

But these leave residues that accumulate in the ground water, rivers and lakes, impacting fisheries, and can also acidify the soils to reduce agricultural potential over the longer term.

The true extent of soil degradation has not been mapped comprehensively. The Food and Agriculture Organisation (FAO) cited a study published in 1991 that classified 1.96 billion hectares as being degraded, 910 million hectares (Mha) being moderately degraded, with greatly reduced agricultural productivity, and 314 Mha as un-reclaimable land. (A hectare is 10,000 square metres or a bit less than 2 ½ acres.)

Water erosion was the most common problem, affecting almost 1.1 billion hectares, while wind erosion affected almost 600 Mha. The same report estimated that total cropland in use in 2000 amounted to 1.61 billion hectares.

A map of degraded zones showed that the most degraded soils were also the most intensively cultivated. The FAO commented that "as degradation is normally a slow and almost invisible process, rising yields caused by higher inputs [of water and fertilisers] can mask the impact of degradation until yields are close to their ceiling".<sup>(1)</sup>

As with many environmental problems we will not know how troublesome this may turn out to be until it is too late to do anything about it.

In the absence of good information, complacency reigns. Each local area has to be analysed as to its vulnerability to soil degradation, whether this is likely to

arise from inappropriate agriculture or from climate change. The fact is that this is not being done.

As yet, there is no proper community control over land use and insufficient capacity for managing land sustainably. It is possible that crop yields can continue to improve and be sufficient to feed the world's rising population. But it is also possible that an agricultural collapse is around the corner.

### The Murray-Darling River basin

What has happened in the Murray-Darling River basin in Australia is an example of how catastrophe strikes. The basin is known as Australia's food bowl and is the most irrigated area of the continent.

It covers a million square kilometres, is home to two million people and produces over half Australia's cereals, rice, cotton, fruit and livestock.

But after a decade of drought and ineffectual subsidy, many farmers are packing it in, in some cases with tragic consequences. At its worst stage, one farmer was taking his own life every four days.

The river has a history of large variation in its flow, sometimes drying up completely. This is part of the natural cycle and the timescale for climate change will permit the ecology to adapt.

The complicating factor has been human intervention, with its dams, water storage ponds and large-scale water off-take for irrigation. By the 1980s, half of the original vegetation cover had been cleared. This reduced the river system's natural resilience leading to soil erosion, rising salinity, loss of habitats and pest invasions. Even the hardy eucalyptus trees died off in the long drought of 1997 to 2009.

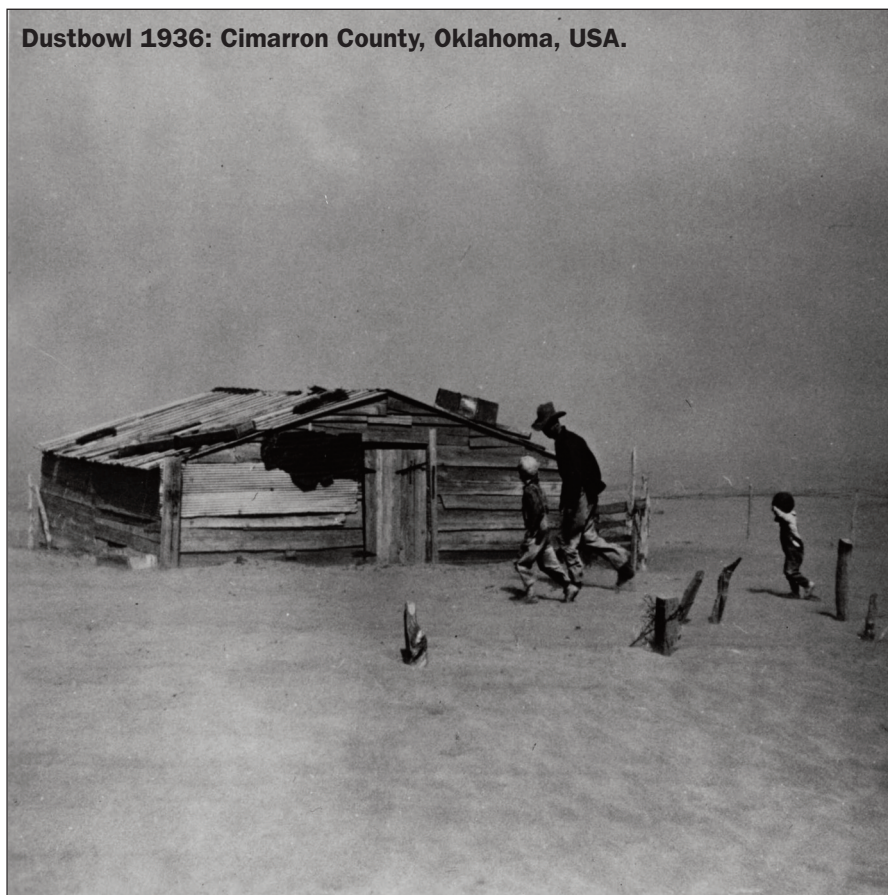
Finally the rains arrived. But the floods in 2010-11 caused extensive damage, mobilised 2.5 million tonnes of salt and released highly oxygenated 'blackwater' that killed many river and pond fish.

We can catch a glimpse of what the future holds from examples such as this. The water crisis prompted protests by farmers whose supplies were rationed.

The government recognised that the natural resource had to be managed sustainably. In 2008 the Murray-Darling Basin Authority was established as a single agency responsible for the integrated management of water resources, to regulate water trading and to ensure the long-term health of the rivers.

Farmers are required to pay for their water usage through a market scheme for take-off permits, which means that its value to different crops becomes transparent.

Cotton and rice require much more



Dustbowl 1936: Cimarron County, Oklahoma, USA.



**Table 1**  
**River Basins with a High Concentration of Dryland**

Between 25%-50% Dryland	Between 50%-75%	Over 75%
<b>AFRICA</b>		
Nile	Chari	Galan-Sagan
Zambezi	Niger	Limpopo
		Orange
		Volta
<b>ASIA</b>		
Amur	Ganges	Amu Darya
	Indus	Syr Darya
	Ob	Ural
		Yellow (Huang He)
<b>AUSTRALIA</b>		
		Murray-Darling
<b>EUROPE</b>		
	Dnieper	Don
		Volga
<b>NORTH AMERICA</b>		
Mississippi-Missouri	Columbia	Colorado
	Mackenzie	Nelson
		Rio Grande
<b>SOUTH AMERICA</b>		
Orinoco		Colorado-Desaguadero

Source: World Resource Institute

**Table 2**  
**River Basins according to soil type**

Sandy Soils	Silty Soils	Clay Soils
Chari	Amu Darya	Dnieper
Columbia	Colorado	Ganges
Galan-Sagan	Colorado-Desaguadero	
Indus	Don	
Murray-Darling	Limpopo	
Orange	Lower Volta	
Rio Grande	Mackenzie	
Upper Volta	Nelson	
	Niger	
	Ob	
	Syr Darya	
	Ural	
	Volga	
	Yellow (Huang He)	

N.B. The Amazon and the Congo River Basins have a low proportion of dryland and flow through clay soils, so are not shown here.

water than wheat and this must be reflected in their price. This adds to their costs, of course, and further water price rises could put farmers out of business.

**Other 'at risk' basins**

Murray-Darling is just one river basin facing major environmental stress. It just so happens to have been a river system more frequently prone to drought than others, so the consequences of global warming showed up there earlier.

I have identified a number of other river systems that are at risk in Table 1.

Dryland ecosystems cover 41% of the Earth's land surface and are home to one-third of the world's population. River basins with a high proportion of dryland are prone to drought.

Regions with sandy soils are most at risk as they hold moisture less effectively than clay. If we then group the river basins with the highest proportion of dryland (second and third columns of Table 1) according to their soil characteristics, we get the results shown in Table 2.

The analysis indicates that highly irrigated agricultural regions such as the Punjab, part of the Indus River Basin, and the veld fed by the Orange River in South Africa are very much at risk from climate change.

Given the points already made, it is unsurprising that the Murray-Darling Basin is also at the highest level of risk. At lesser risk are the bread baskets of Don, Volga and Yellow Rivers and Las Pampas of Argentina and Uruguay.

If the global average temperature rises by 4°C over pre-industrial levels, the UK Met Office has estimated that inland temperatures away from coasts will rise by a further 2° to 3°.<sup>(2)</sup>

That would put further river basins at risk including the Ganges, the Nile and the Mississippi-Missouri. To be sure, with our current state of knowledge, it is not clear which regions of the world will receive more rain and which less.

A government sponsored report from the Organization for Economic Co-operation and Development nonetheless summarises the situation in a recent publication: "In general, regions with high rainfall are projected to receive more precipitation, while arid and semi-arid regions are projected to become drier. ... Over the past several decades ... land classified as very dry has more than doubled globally. ... Many semi-arid and arid areas (e.g. the Mediterranean basin, western USA, southern Africa and north-eastern Brazil) are particularly vulnerable to the impacts of climate change and are projected to suffer a decrease in water resources."<sup>(3)</sup>

To an extent farmers are able to compensate for variability in rainfall by pumping water from underground reservoirs, or aquifers.

But in a recent survey by the Earth Policy Institute, Lester Brown highlights the over-exploitation of these water reserves in 18 countries, including the Middle East, China, India, Mexico and the USA. "In India, 175 million people are being fed with grain produced by over-pumping, in China 130 million. The water table under the North China Plain, an area that produces half of the country's wheat and a third of its maize is falling fast. In the United States the irrigated area is shrinking in leading farm states with rapid population growth, such as California and Texas, as aquifers are depleted."<sup>(4)</sup>

Farmers have to pump water from ever-deeper aquifers, up to a kilometre down in some cases, at a faster rate than the reservoirs can replenish themselves from rainfall.

### Dangers ahead

For every 1°C rise in temperature, plants move between 200 to 300 km northwards in the northern hemisphere (and southwards in the southern hemisphere). This is called polar retreat of plant life.

Global warming is shifting whole ecological zones. Although plant cover will expand with global warming, as more

rainfall offsets higher moisture evaporation from soils, the type of plants will change. (Extra CO<sub>2</sub> in the atmosphere will also encourage photosynthesis).

It is important to realise that the consequences of climate change are amplified by the built environment, agricultural practices and institutional factors.

We have to ask the question, of each locality, what happens if there is flooding, or a drought? What do we do next? It is not just about how much water arrives one year compared to another.

There are profound social impacts and the capitalist system often prevents us from dealing with these – and usually makes things worse.

Our future – a world suffering from acute food and water shortages – is already apparent, unfortunately. In the coming months and years, as the science becomes ever clearer, the debate over how to reverse the trends will intensify.

As socialists we share many values with the Green movement, including a commitment to community-organised action to protect the planet and the locality as a place to live and work. But we have a class perspective as well.

Tackling climate change will require the mobilisation of people, technology and capital. Since most technology and capital is in private hands this will not just be difficult, it may prove impossible in the absence of the public ownership

of economic assets.

Governments around the world are providing subsidies and other incentives, like loan guarantees, to entice the private sector to invest in technologies that have a smaller carbon footprint.

And while we should not write off the impact of these measures, it is clear that they are pretty ineffective as presently deployed. In essence taxpayers are trying to bribe capitalists into polluting less and, without harming profitability, into doing what should be done in any case to save our planet.

Global warming is a clear and present danger and socialist solutions are fundamental to stem the risk of a food catastrophe.

### FOOTNOTES

1. FAO, 2003, *World Agriculture: Towards 2015/2030: An FAO perspective*, London: Earthscan: pp. 341-342.
2. *The Independent*, 27 October 2009, p. 25.
3. OECD, 2013, *Water and Climate Change Adaptation: Policies to navigate uncharted waters – A changing and uncertain future for freshwater*, Paris: OECD: pp. 23-24.
4. John Vidal, *Global threat to food supply as water wells dry up*, warns top environment expert, *The Observer*, 7 July 2013, p. 23.

## Syria: cynical lies, false intelligence

Continued from page 13

those in other nations, never on its own territory. In any event, war is its axis: its domestic economy is nourished to a large extent by the arms industry and its planetary hegemony (appropriation of raw material and imposition of the rules of the economic and political game on a global scale, with primacy of the dollar). Today, Washington needs wars. Without wars, the power would not be a power.

- What we are seeing now with a besieged Syria is not a chance operation.
- The objectives of the project are the opening up, stability, control and globalization of markets, as well as security and freedom of trade; unrestricted access to energy sources and raw materials needed to dynamize the US economy and those of its allies; the monitoring and control in real time of people and all

significant political and social movements opposed to its interests; the expansion and domination of the financial and industrial capital of its companies and transnational corporations; and the assuring of control over the means of communication and world information.

- To that end it has not even stinted on mercenaries, who abound in Syria – well paid and armed – nor in the deployment of US military might, as well as creating situations within nations, such as the manufacture and unveiling of the so-called Arab Spring in North Africa, which ended with the assassination, recorded live, of Libyan President Muammar al-Gaddafi.
- A variant of the Arab Spring was already tested out in Syria, but failed in destabilizing the country, hence the recourse of destroying the nation and leaving it without a government, and without order, because social anarchy there

would justify a US presence, plus that of its allies with all their troops and even a coalition. This would provide a gateway to Iran, additionally keeping a close watch on the dangerous Hezbollah in Lebanon, and a commitment to Israel which, since its defeat by this force in 2006, has not been able to heal its wounds.

- Who can be left in any doubt that all of this is an orchestrated plot, and that the United States and its allies are not bothered as to whether or not chemical weapons enter the equation?
- What does interest it is the geo-strategic situation of Damascus and imperial power, even if this involves a bloodbath in this nation of heroic people, and world peace is again trampled by the nation and government which sets itself up as the paradigm of human rights. But it should be careful. Those who live by the sword, die by the sword.

# Myth: the “West” is the good guys

Capitalism in its earlier days delighted in calling a spade a spade. Industrialisation, fuelled in part by pirated Spanish gold (originally looted from the people of the Americas) demanded precision and accuracy in thought as well as deed.

By GINA NICHOLSON

And early British imperialism, spreading over the world until the majority was coloured red, saw no reason to hide from the truth.

But these days, and especially since the Russian revolution of 1917, the state of the world is not exactly to our rulers' liking. The battle of ideas is as desperately important as bloodier confrontations.

And because the truth is that people all over the world would be better off without exploitation, the truth has to be hidden, glossed over, misrepresented and denied. This necessitates the fostering of certain myths.

One is the imperialist myth of the West.

The West is no longer, not merely, and not mainly, a geographical concept. It stands for justice, freedom and democracy, all three of which, as presented by capitalism, are myths in themselves.

The West is the good guys; the East is the bad guys. This idea was particularly useful during the days when socialism existed in a third of the world, and the main socialist governments were in the geographical east. It continues today as the various imperialist countries strive for domination in the Middle East.

On 4 September, after the chemical attack (origin unclear) in August in Syria in which a disputed number of people died, and while the United States was trying to get together a military force to attack the Syrian government, the British *Daily Mail* wrote: “The truth remains that the Russian President is absolutely key to any hopes of concerted international action . . . This is why it is so vital that the West does all it can to persuade him to . . . use his powerful influence in the Middle East to effect a settlement.”

So the implication was that the ‘West’

was speaking with one voice.

The *Daily Mail* was not the only part of the media writing about ‘the West’ in this way. Most of the British newspapers, and most importantly, the BBC, presented the problem as one about which ‘the West’ was united.

What countries did the *Daily Mail* and others have in mind as constituting ‘the West’?

Wikipedia offers this definition: ‘In the contemporary cultural meaning, the phrase “Western world” includes Europe, as well as many countries of European colonial origin with substantial Euro-

The West is no longer, not merely, and not mainly, a geographical concept. It stands for justice, freedom and democracy, all three of which, as presented by capitalism, are myths in themselves.

pean ancestral populations in the Americas and Oceania.’

Obviously the United States led the pack. A few days earlier, on 29 August, the UK House of Commons had decisively voted against military intervention, so that ruled us out. In the rest of Europe, France with its ‘socialist’ President was firmly in favour; other countries were not so sure.

Italy's leader cautioned that a strike might lead to wider conflict. Pope Francis urged leaders of the world's largest economies to avoid the ‘futile

pursuit” of military action.

The Spanish government ruled out military intervention as a possibility while broadly supporting the US stance.

The German government said that it wasn't considering joining military action against Syria and hadn't been asked by others to do so.

“Poland will not participate in any type of military intervention in Syria,” Prime Minister Donald Tusk said.

A military strike against Syria was opposed by 80% of Portuguese people, according to the international inquiry ‘Transatlantic Trends 2013’ which also revealed that the majority of European and American citizens preferred a peaceful solution to the Syrian dispute.

So Europe was hardly united in support of the military adventure. But what about the ‘countries of European colonial origin’?

Australian Foreign Minister Bob Carr's spokesman Patrick Low said that Australia supported the US taking action but the US hadn't asked for military assistance and Australia hadn't offered it. New Zealand was more cautious. Prime Minister John Key said that New Zealand wanted to assess all steps taken ahead of a strike before stating its position.

Brazil rejected military intervention. So did Peru, Chile, Argentina and Venezuela. So no joy for the US in its backyard.

However you look at it, about the Syrian dispute, ‘the West’ was remarkably disunited in its response.

Other countries in the world? Well, for example, India and Pakistan, Indonesia and China were against the idea. Taking a democratic view of the matter, it is instructive to look at numbers. These four countries alone account for just under three billion people. The countries the US claimed to be on its side (Australia, Albania, Kosovo, Canada, Denmark, France, Poland, Romania and Turkey) and the US itself, including also Israel and Saudi Arabia, which the US didn't care to mention (not exactly ‘the West?’), only contain just over half a billion people (556,396,245).

# Egypt's recent and turbulent history

Egypt, with a population of 84 million, is the most populous of the Arab nations.

By PAT TURNBULL

These nations inhabit an area larger than Europe, bordering three continents, Asia, Africa and Europe, covering the whole southern Mediterranean coast, adjoining the Atlantic and Indian Oceans, surrounding the Red Sea, and with Egypt's Suez Canal as the sea link in the middle.

Add to that immense oil reserves, plus large gas reserves in Egypt itself, and it is easy to see why imperialism wants to keep the Arab nations divided and compliant.

Egypt's recent history, however, has been a turbulent one. On 25 January 2011 widespread protests began against Mubarak's government, which had ruled Egypt for 30 years. On 11 February 2011 Mubarak resigned and fled Cairo. The military assumed power.

The first idea was to keep Mubarak nominally in office but this had to be abandoned because the millions on the streets would not go home, increased their protests, and were joined by a wave of industrial action.

In early February 2011 a deal was struck – with American help – for a power sharing accommodation between the military – closely tied to the United States – and the Muslim Brotherhood, regarded as acceptable, 'moderate' Islamists. Old dignitaries of the National Democratic Party – ruling party of Mubarak and his predecessor Anwar Sadat – could find a place as 'independents' or as representatives of new parties.

Through 2011 street protests continued, with many killed and injured. To give but one example: in the four-day Mohamed Mahmoud street confrontation in November 2011, 50 protesters were killed and hundreds injured; many lost one or both eyes, which were particularly targeted by police shooters. But people refused to be intimidated.

Political debate, which had been almost shut down under Mubarak, exploded on the streets, in graffiti on the

walls, and through social networks on the web.

On 28 November 2011 there was a parliamentary election won by the Muslim Brotherhood. On 24 June 2012 Mohamed Morsi, leader of the Muslim Brotherhood, was elected President. He won by two percentage points over Major General (retired) Ahmed Shafiq, who had been the last prime minister under President Mubarak.

However, Morsi's voters were to be disappointed. Morsi and the Muslim Brotherhood continued to protect the interests of capital, at home and abroad.

... Morsi and the Muslim Brotherhood continued to protect the interests of capital at home and abroad. Unemployment reached 32%. Foreign debt rose from \$34bn to \$45bn.

Unemployment reached 32%. The foreign debt rose from \$34 billion to \$45 billion. During 2012 the domestic debt rose by 365 billion Egyptian pounds. The proportion of people living below the poverty line increased to more than 50% of the population.

Privatisation continued, prices were liberalised. The minimum wage was not raised even though it was one of the first demands of the people who took to the streets in January 2011.

The health insurance programme was not implemented. The Muslim Brotherhood refused to pass the law to guarantee freedom to form trade unions, which they had agreed to beforehand. They put their own men in to control the General Union of Egyptian Workers.

In June 2013 Morsi said that he had cut all diplomatic ties with Damascus and backed a no-fly zone over Syria, pitching the most populous Arab state more firmly against President Assad. This policy worried the people and the army.

Morsi took over the Mubarak/National Democratic Party state machine and then handed posts to the Muslim Brotherhood and their allies at all levels. Finally, on 17 June, Morsi issued a sweeping decree appointing 17 new governors, three months before parliamentary elections were due, in other words, to control the elections.

In March 2013, Hassan Shahin, ex-media studies student, called on the Egyptian people – through social networks – to come together and oust Morsi. He, with others, was the founder of the 'Tamarod' (Rebel) youth movement.

Tamarod started collecting signatures on a petition in Tahrir Square on May 1st, Labour Day. This was finally to lead to the mass protests on 30 June, on the anniversary of Morsi's inauguration.

The Tamarod movement collected more than 22 million signatures for the withdrawal of confidence in Morsi and in support of calling for early presidential elections.

This is far more than their original aim – to collect 15 million to exceed Morsi's 13.2 million votes in the 2012 presidential runoff. The petition contained the signatory's name, national ID number and the name of the province, written by hand rather than on the Internet.

Parties, trade unions and other organisations participated in collecting signatures, in cities, factories, schools and universities, and in villages in all the governorates of Egypt.

At the same time they called for demonstrations in all the main squares of Egypt on 30 June. More than 27 million demonstrators came out all over Egypt for four consecutive days, representing various classes and strata of Egyptian society. This is many more than demonstrated in 2011.

Egyptian newspaper *Al Ahram* wrote: '...military helicopters flew before the



**Egypt's great nationalist leader, Gamal Abdel-Nasser:** 1. 1960: Before he speaks to a huge rally in Hama, Egypt. 2. 1963: pictured with his three sons. 3. 1966: Along with Egypt's Prime Minister, Ali Sabri (centre), Nasser welcomes Cuban revolutionary, Che Guevara. 4. 1969: Nasser with Libyan revolutionary, Muammar al-Gaddafi.

official dismissal of Morsi [on 3 July] over Tahrir Square, throwing national flags to the cheering crowd. On 5 July, two days after the overthrow of the president, military aircraft drew a heart in the sky in Tahrir ..'

People want a leader, a hero. Portraits of army chief and Defence Minister General Abdel-Fattah El-Sisi have been recently held in Tahrir next to portraits of Gamal Abdel-Nasser, Egypt's great nationalist leader from 1952 to 1970 (see pictures above).

But General Sisi is not Nasser and we live in different times. General Sisi, now First Deputy Prime Minister, was appointed to replace Tantawi as head of the Egyptian Armed Forces and Minister of Defence by Mohamed Morsi on 12 August 2012.

Under President Mubarak, he had become Commander of the Northern Military Region – Alexandria in 2008 and then Director of Military Intelligence and Reconnaissance.

On 8 July the interim government passed a constitutional decree implementing a transitional roadmap which includes a referendum on an amended constitution, as well as parliamentary and presidential elections, all to be held within one year.

The head of Egypt's constitution committee, Amr Moussa, planned for the initial draft charter to be ready for discussion in late October. A referendum is expected to take place on the amended charter by the end of 2013.

Two members of Tamarod are among the 50 members of the constitutional committee formed in September to amend the 2012 constitution which was suspended following Morsi's removal.

The committee was appointed by the president following nominations by political parties, professional unions and various state bodies, for example, farmers, workers, lawyers, journalists, writers, artists, university professors.

A 10-member committee of experts had already removed articles and expressions strengthening the role of

Islamic Sharia in politics and society. It had, however, kept Article 2, dating from the 1971 constitution, drawn up under Nasser's successor Anwar Sadat, which states that the "principles" of Sharia are the main source of legislation.

To meet the people's real needs the constitution would have to be replaced, not amended. And a social and economic plan would need to be implemented which, among other things, reversed the process of privatisation and opening up of the economy to foreign big capital which has been going on for the past forty years.

Tamarod planned to begin holding election rallies and was seeking to establish a large electoral coalition which would reflect the hopes of Egyptians who demonstrated on 25 January 2011 and 30 June 2013.

It would be important that the national and democratic forces agree on a single candidate for President, and that the leftist forces, Nasserites, youth movements and trade union organisations form a front and fight elections on a joint basis. This is no easy task, and disagreements were already coming to the fore in October.

On 14 October *Al Ahram* reported another worrying sign. A draft protest law was being reviewed by interim President Adly Mansour. It had already been approved by the interim cabinet. Mansour was expected to review the draft before issuing it through presidential decree.

Critics said that it restricted freedom of assembly and was not supported by serious initiatives to reform the police or carry out transitional justice. Among its most controversial measures was the right given to the interior minister or senior police officials to cancel, postpone or change the location of a protest. The law also entitled governors to designate "protest-free" areas near state buildings, including presidential palaces.

The moves were being justified to fight "terrorism" from the Muslim Brotherhood and its allies. But these are dangerous signs, considering that it has

been popular street protest that has been a main mover in such changes as the Egyptian people have achieved so far.

A problem with the protest movement is that, though workers have been involved in most of the protests that have escalated since 2006, the working class is not represented as a force for itself and its own interests.

In general since the death of Nasser in 1970 the progressive forces have been weakened. The working class itself has changed as big industries have been liquidated and workers have been displaced. Years of government repression, as well as economic policies, have severely weakened trade union and working class political organisation.

Violent clashes continue. On Sunday 6 October, the fortieth anniversary of the Arab-Israeli war, 57 protesters were killed during clashes between Morsi supporters, opponents and security forces.

What influence will the rejection of Morsi by masses of the Egyptian people have on the US's strategy of supporting Islamist organisations like the Muslim Brotherhood as an acceptable alternative to the decaying authoritarian regimes like that of Mubarak?

In any case, despite violent repression, the Muslim Brotherhood has not gone away. 30-year-old Mohamed El-Hadidy, a third-generation Muslim Brotherhood member, in mid-August established the political movement QAWEM.

The word in Arabic means 'resist' and its composite letters are also the initials of four words: strength, faith, patriotism and Egypt. QAWEM was established a few days after the violent dispersal of two Islamist sit-ins at Rabaa Al-Adawayya and Nahda Square, which resulted in the deaths of 600 Brotherhood supporters and 40 police and security personnel.

There is a long way to go. In the words of Angelo Alves of the Portuguese Communist Party: 'the Egyptian people are gaining mass experience and consciousness of their own real power. The objective is real change in political power, a real revolution.'

# By Questor

## Diageo

Paul Walsh, the former chief executive of Diageo who went on to serve on the board as an adviser, sold portions of his stake in the drinks company two weeks in a row in August of this year.

He chose a good time to sell as shares in the company had risen by 18% in the year. He exercised options over 100,000 shares then sold 95,000 of them at £21.40p each, raising £2 million.

The 5000 shares left increased his holding to 784,660 shares. The previous week, he made £3.9 million by selling a tranche of shares.

Walsh will retire from the Guinness maker in June 2014.

## Vodafone

Andy Halford, chief financial director of Vodafone, traded in 1.2 million shares at 213.2p earning £2.6 million in September. His shareholding in the company was reduced to 2.4 million shares.

Stephen Pusey, chief technology officer, sold 854,000 shares at 213.2p making £1.4 million.

The Vodafone duo sold their shares in the week that Vodafone acquired 76.48% of Kabel Deutschland shares following its £6 billion offer at the end of July.

## Informa

Peter Rigby, chief executive of Informa, the business information and publishing group, cut his stake in the company in September. He is due to retire in July 2014.

Since he announced his retirement, he has halved his holding in the company from about 1.2 million shares to 523,524.

Informa posted a 2.7% rise in 2013 first-half operating profits to £162 million. The share price has risen more than 20% since the start of the year.

Rigby's sale, in one week in September, of 285,372 shares at 532.4p each, gave him a gain of £1.2 million.

Lord Carter will succeed Rigby as chief executive.

He is the former chief executive of Ofcom and adviser to Gordon Brown.

## Renishaw

Bill Whiteley, soon to step down as the senior independent non-executive director of Renishaw, disposed of some of his shares in October. He made close to £4 million after selling at £19.44 per share. Renishaw, which makes industrial and health-care measuring devices, has made strong gains since the full-year results were released at the end of July.

## St James's Place

Peter Lamb, the managing director of St James's Place, sold nearly £1.2 million of shares in the wealth manager in August. The move followed a 50% jump in the stock last year.

## Poverty in the UK

The *Guardian* (14 October 2013) reported that 28% of Londoners are living in poverty, and of these, over half are in work. These facts give the lie to Cameron's statement that: "You don't help people by leaving them stuck on welfare... Because the best way out of poverty is work."

In 2012, 20% of Londoners earned below the London living wage of £8.55 an hour. There has been a rise of 440,000 in low paid jobs in London over the past 5 years.

The geography of London's poverty is changing. 10 years ago, poor areas were split evenly between inner and outer London, but now 58% of the 2.1 million Londoners in poverty live in outer London, a sign of the 'economic 'cleansing' taking place.

The *London Evening Standard* blames soaring house prices in the capital for the rise in poverty, as well as low pay.

A New Policy thinktank report quoted by the *Standard* says that 830,000 people renting privately are now in poverty compared to 700,000 in social housing – using the government's official measure of 60% below the national median income. 610,000 owner occupiers are also living in poverty – so much for the nation of self-satisfied homeowners.

Rough sleeping has nearly doubled to 6,400 since Boris Johnson took over as Mayor.

In the UK as a whole, 350,000 people received a 3-day food package from the Trussell Trust between April and September this year – three times as many as in the same period last year.

The Red Cross is planning to set up soup kitchens in Britain for the first time since WW2.

## 888

In July 2013 Aviad Kобрine, finance chief of 888, the online poker and casino operator, made £1.1 million with the sale of 685,390 shares. Kобрine took advantage of recent growth arising from record half-year revenues.

\$nippet\$ from the wor£d of capita£ism

# For the Union Dead, by Robert Lowell

By **SIMON KORNER**

The abolitionist Frederick Douglass said in a speech in 1852 that to the American slave Independence Day was “a day that reveals to him, more than all other days in the year, the gross injustice and cruelty to which he is the constant victim. To him, your celebration is a sham [...] a thin veil to cover up crimes which would disgrace a nation of savages.”

In spite of his denunciation, Douglass’s speech went on to express faith in the “genius of the American Institutions” and the “great principles” contained in the Declaration of Independence, as well as the growing abolitionist movement which would end slavery a decade or so later.

The “great principles” were undermined by, among other things, the slaveocracy in the south which, until the civil war defeated it, threatened to expand north and westwards in order that its economy could survive.

A century after Douglass’s speech, Robert Lowell (pictured, 1917-1967) – one of the 20th century’s leading American poets – wrote his famous poem *For the Union Dead*, exposing the gap between the bourgeois revolutionary ideals, for which the Yankees ostensibly fought, and the reality of his own era which he felt was oblivious to its own, or any other, history, in particular the abolitionist cause of a century before.

In a letter written in 1964, he stated: “In my poem [For] the Union Dead, I lament the loss of the old Abolitionist spirit; the terrible injustice, in the past and the present, of the American treatment of the Negro is the greatest urgency to me as a man and as a writer.”

The epigraph *Relinquit Omnia Servare Rem Publicam* (“they gave up all to serve the state”) announces a public poem, an ode. Thus the autobiographical opening stanzas strike us as unexpected, inauspicious even, and we wait for them to connect to something more interesting.

*The old South Boston Aquarium stands  
in a Sahara of snow now. Its broken windows are boarded.  
The bronze weathervane cod has lost half its scales.  
The airy tanks are dry.*

*Once my nose crawled like a snail on the glass;  
my hand tingled  
to burst the bubbles  
drifting from the noses of the cowed, compliant fish.*

The image of desolation in a waste of snow is a nostalgic one, but already something more complex than mere nostalgia is taking place. As well as the grand expectations raised by the epigraph, we notice other details. The glass barrier constrains both boy and fish equally, pointing up the boy’s inability to connect with the natural world and undermining any simple

celebration of idyllic childhood. His reaction to the fish is intense and sympathetic (the physical word “tingled”) to the point of identification, as if the derelict aquarium embodies the narrator’s own lifeless state of mind in adulthood, from which standpoint he is recalling his boyhood attempts to reach out and touch life.

In the manner of a film edit, we cut to the narrator’s consciousness in the present.

*My hand draws back. I often sigh still  
for the dark downward vegetating kingdom  
of the fish and reptile. One morning last March,  
I pressed against the new barbed and galvanized*

*fence on the Boston Common. Behind their cage,  
yellow dinosaur steamshovels were grunting  
as they cropped up tons of mush and grass  
to gouge their underworld garage.*

The hand “draws back” from the memory. The narrator longs for the “dark downward vegetating kingdom of the fish and reptile”, that is, for a purer, preconscious state than he can attain in the present world. But as we have seen, this is no simple pastoral; even during childhood, the yearned for thing was unreachable, the natural world tamed into compliance.

The caesura after “fish and reptile” switches us in time once again, but only briefly, to a specific “morning last March”. Echoing the boy leaning against the glass, the narrator presses against the jagged steel fencing round Boston Common in his hopeless desire for the “vegetating kingdom”.

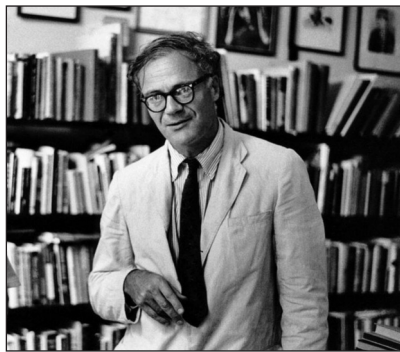
The hard sounds of “barbed and galvanized” and the penal/bellicose associations of “barbed” (with its trace of ‘barbarian’ savagery) provide a strong contrast to the organic softness of the earth which the diggers are mauling, digging downwards as he himself would like to do, but in their case doing so destructively rather than searching for life.

The steamshovels seem wild behind “their cage”. Though they are compared to dinosaurs, reptiles – that is, part of nature – they are the opposite of natural. The external form contains a destructive content, inimical to life.

Surveying the scene, the narrator pictures the city as a kind of plaything for infantile modern developers, who give no thought to the consequences of their actions, like the childlike consumerist culture altogether, without depth, purpose or responsibility.

*Parking spaces luxuriate like civic  
sandpiles in the heart of Boston.*

Given free rein (“Parking spaces luxuriate”), consumerism



engulfs even the Statehouse, that symbol of the founding fathers' state power, which is hedged in and literally undermined by the new destructive forces. Again the word "tingling" appears, but now evoking not a feeling for life's intensity but the frailty of the old order.

*A girdle of orange, Puritan-pumpkin colored girders  
braces the tingling Statehouse,*

The statue of a civil war officer, Colonel Shaw, and his "Negro infantry" is equally vulnerable, the "plank splint" a pathetic defence against the "earthquake", whose man-made power is emphasised by the proliferation of hard 'g' sounds: galvanized, grunting, gouge, girdle, girders, garage.

*shaking over the excavations, as it faces Colonel Shaw  
and his bell-cheeked Negro infantry  
on St. Gaudens' shaking Civil War relief,  
propped by a plank splint against the garage's earthquake.*

Now we revolve backwards into history. Indeed, the poem itself enacts a growing historical awareness, with its various different timeframes linking past to present and back again, so that our relation to history becomes one of its main themes.

*Two months after marching through Boston,  
half the regiment was dead;  
at the dedication,  
William James could almost hear the bronze Negroes breathe.*

*Their monument sticks like a fishbone  
in the city's throat.  
Its Colonel is as lean  
as a compass-needle.*

*He has an angry wrenlike vigilance,  
a greyhound's gentle tautness;  
he seems to wince at pleasure,  
and suffocate for privacy.*

In focusing on the monument, the poem at last takes on a monumental quality itself, outgrowing its own autobiographical beginnings the way a child develops. The autobiographical has been woven into a historical context and gained gravitas, having been understood as part of a wider world.

The epigraph, we realise, is the inscription on the statue – except that Lowell has changed the original Latin verb "Relinquit" singular to "Relinquunt" plural, at a stroke broadening out the sacrifice from that of the Colonel alone to encompass the black soldiers too, all of whom laid down their lives for the republic.

The anger of "sticks like a fishbone/in the city's throat" has already been prefigured by the tone change of: "Two months after marching through Boston/half the regiment was dead", whose stark brevity strikes a cold note after the satirical "Puritan-pumpkin coloured girders" and the "civic/sandpiles".

The fishbone image suggests that the men's sacrifice for freedom cannot be swallowed, assimilated and forgotten; it refuses to go away. The Colonel points, like a compass, to the truth, which he protects with the vigilance of a wren, a tiny creature, yet fiercely alive.

Puritanical, he "seems to wince at pleasure" and longs for "privacy", for which he "suffocates" because his deeds were done not for public praise but for deeper moral and political reasons. The notion of suffocation picks up the breathing motif which began with the fish in the aquarium emitting bubbles as they comply with the public gaze, in direct contrast to the

Colonel's desire for privacy.

We see the same motif in the apparent breathing of the "Negroes" which William James, philosopher and brother to the writer Henry – members of another Brahmin Boston family like the Lowells – found so lifelike.

*He is out of bounds now. He rejoices in man's lovely,  
peculiar power to choose life and die –  
when he leads his black soldiers to death,  
he cannot bend his back.*

Apart from the fact that the statue has been fenced off, the Colonel is also "out of bounds" ideologically, the modern era insulated from his values. He "rejoices in man's lovely/peculiar power to choose life and die". This one joyful phrase in the entire poem surprises the reader after the depiction of the colonel as puritanically upright.

The strange diction ("rejoices", "lovely") to describe self-sacrifice suggests a kind of secular saint, whose happiness is derived from promulgating the public good. Life becomes meaningful when devoted to the betterment of humankind; dying for a noble cause can be a greater contribution to life than living.

The viewpoint now moves further up and out, sweeping like an aerial cinematic shot over New England:

*On a thousand small town New England greens,  
the old white churches hold their air  
of sparse, sincere rebellion; frayed flags  
quilt the graveyards of the Grand Army of the Republic.*

*The stone statues of the abstract Union Soldier  
grow slimmer and younger each year –  
wasp-waisted, they doze over muskets  
And muse through their sideburns...*

The old revolutionary spirit is now "sparse", its flags "frayed", its vigour gone. The "Grand Army of the Republic" – the influential British Legion-type organisation of civil war veterans – with its capital letters has an ironic as well as an elegiac tinge, its grandiosity anachronistic.

What America once stood for has been eroded, like the statues of the war dead. The echoing sounds of "doze" and "muse" stress the quietude and impotence of the once vigorous fighter now regressing "each year" to boyhood ("grow slimmer and younger").

Once more we are reminded of the yearning, passive boy at the poem's start, now linked to the notion of a society kept perpetually infantile by having been deprived of a knowledge of its own history.

*Shaw's father wanted no monument  
except the ditch,  
where his son's body was thrown  
and lost with his "niggers."*

The mass grave integrates officer and men, white and black, but this is no liberal tokenism. Colonel Shaw (1837-1863) commanded the first enlisted black regiment in the civil war, one of the few white men who believed in the African American's right to fight and die under the US flag. The father's abolitionist understanding of the purpose of his son's death is deeply felt and moving.

Now the poem's connections speed up, shifting once more – from the civil war to more recent warfare. It is a natural thought progression from the mass grave of the ditch to the mass annihilation of WW2.



*The ditch is nearer.  
There are no statues for the last war here.*

The mass grave is closer than ever now, an integral part of the unremitting savagery that is modern life. Remembrance has become debased, taking the form not of statues but of advertisements:

*On Boylston Street, a commercial photograph  
shows Hiroshima boiling*

*over a Mosler safe, the "Rock of Ages"  
that survived the blast. Space is nearer.  
When I crouch to my television set,  
the drained faces of Negro school-children rise like balloons.*

The attenuated and forgotten memorials to the best spirit of America are less robust than the Mosler bank vault that survived the Hiroshima blast. Lowell made up the brand name Rock of Ages, referencing the hymn title so emblematic of American sincerity and twisting it out of recognition.

He links banking, epitomised by the indestructible safe, to war, which destroys life but not the profit system. The internal rhyme of Boylston, a major commercial thoroughfare in Boston, with "boiling" reinforces the connection.

The obscene image of mass murder exploited for commercial purposes, of capitalism boasting of its durability amidst the ruins it itself has created, carries a great satirical charge. The furious disgust here is a long way from the memory of the aquarium, of the dreamy imaginative world in which the boy, his nose soft and wet as a snail, could feel almost fishy himself.

The matching lines "The ditch is nearer" and "Space is nearer" frame the contradiction between the primitive and the sophisticated poles of the modern era.

The same jarring disjunction appears again when the "drained faces of Negro school-children" – still struggling for basic civil rights which their forebears failed to secure after the civil war – appear on a modern appliance, a TV. The narrator's own sense of impotence is revealed by his posture, crouching at the television like his boyish self transfixed by the fish behind glass.

However, the schoolchildren, suffering for their cause, are not submissive like the fish – Lowell is referring to the protests for integrated education at Little Rock Central High school in 1957-8 – and instead suggest the onward march of history, even if sealed off from the narrator behind glass.

The balloons imply helplessness, rising off the edge of the TV screen – perhaps literally as the vertical hold goes awry – far from the world they might change. And yet their ascent (once again the breath/air motif) remains unstoppable, like struggle, like hope.

Immediately following comes the equally ambiguous image of the Colonel "riding on his bubble":

*Colonel Shaw  
is riding on his bubble,*

*he waits  
for the blessed break.*

The picture is again one of being carried upwards helplessly, away from reality. But at the same time, he is "riding on his bubble" as if on a steed, carried forward by it through time, until the moment his vision might bear fruit. The "break" (the bursting of the bubble, bringing him back into the world – like the boy wishing to connect with the fish) is "blessèd" – the archaic, biblical accent lends a millenarist note – because it will at last free the Colonel from historical irrelevance.

*The Aquarium is gone. Everywhere  
giant finned cars nose forward like fish;  
a savage servility  
slides by on grease.*

The aquarium, once the repository of his childhood musings, represents not hope exactly but the possibility of imagination. In that sense, it is an equivalent of the democratic spirit now lost.

The cars recall the fish, but the meekness has been replaced by "savage servility", the seemingly paradoxical phrase hissing at us angrily with its 's' sounds, which carry through the final line.

Epitomising the individualistic, asocial sense of privacy that came with postwar affluence, car culture here conjures a people blindly obedient to the forces that rule them. This sealed-off privacy is in sharp contrast to the deeply felt inwardness of the colonel, whose heroism was the public act of a private man.

No longer confined to their tank, the fish are "Everywhere", grotesque in their size, mechanised versions of the natural, like the reptilian diggers. They slide by, friction-free, sustained by oil, disengaged from the real, history forgotten, meaning lost.

Though there is no political solution being offered here, there is a clear sense of something important being at stake. The constant reminder of the continuity between the helpless boy and the helplessly despairing adult man might have given the whole work an overly depressive outlook, except that its rage lifts it beyond despair to something like a yearning for revolution – as evinced by the visionary quality of the colonel awaiting "the blessed break".



**Memorial to Robert Gould Shaw and the 54th Massachusetts Volunteer Infantry Regiment, Boston Common, Boston, Mass, USA. The sculpture was created in 1887 by Augustus Saint-Gaudens (1848-1907).**

Lowell's poem wrestles with the excision from American life of any historical awareness of slavery and racism, of its own revolutionary traditions, of democracy. Yet while denouncing the frictionless present, the poem nevertheless reveals that history is happening all the same.

As James Baldwin put it: "People are trapped in history and history is trapped in them." The poem, which takes us from the contemplation of a world lost to an expansive, visionary condemnation of society, is itself a process, involving the reader, an honest scrutiny of the limits of bourgeois decency overcome by capitalist rapacity.

The very absence of friction, as exemplified by the world of advertising, is primitive, "savage" in trying to smooth away "man's lovely, peculiar power" to affect history.

## For the Union Dead

by Robert Lowell

*The old South Boston Aquarium stands  
in a Sahara of snow now. Its broken windows are boarded.  
The bronze weathervane cod has lost half its scales.  
The airy tanks are dry.*

*Once my nose crawled like a snail on the glass;  
my hand tingled  
to burst the bubbles  
drifting from the noses of the cowed, compliant fish.*

*My hand draws back. I often sigh still  
for the dark downward vegetating kingdom  
of the fish and reptile. One morning last March,  
I pressed against the new barbed and galvanized*

*fence on the Boston Common. Behind their cage,  
yellow dinosaur steamshovels were grunting  
as they cropped up tons of mush and grass  
to gouge their underworld garage.*

*Parking spaces luxuriate like civic  
sandpiles in the heart of Boston.  
A girdle of orange, Puritan-pumpkin colored girders  
braces the tingling Statehouse,*

*shaking over the excavations, as it faces Colonel Shaw  
and his bell-cheeked Negro infantry  
on St. Gaudens' shaking Civil War relief,  
propped by a plank splint against the garage's earthquake.*

*Two months after marching through Boston,  
half the regiment was dead;  
at the dedication,  
William James could almost hear the bronze Negroes breathe.*

*Their monument sticks like a fishbone  
in the city's throat.  
Its Colonel is as lean  
as a compass-needle.*

*He has an angry wrenlike vigilance,  
a greyhound's gentle tautness;  
he seems to wince at pleasure,  
and suffocate for privacy.*

*He is out of bounds now. He rejoices in man's lovely,  
peculiar power to choose life and die –  
when he leads his black soldiers to death,  
he cannot bend his back.*

*On a thousand small town New England greens,  
the old white churches hold their air  
of sparse, sincere rebellion; frayed flags  
quilt the graveyards of the Grand Army of the Republic.*

*The stone statues of the abstract Union Soldier  
grow slimmer and younger each year –  
wasp-waisted, they doze over muskets  
Aad muse through their sideburns...*

*Shaw's father wanted no monument  
except the ditch,  
where his son's body was thrown  
and lost with his "niggers."*

*The ditch is nearer.  
There are no statues for the last war here.  
On Boylston Street, a commercial photograph  
shows Hiroshima boiling*

*over a Mosler safe, the "Rock of Ages"  
that survived the blast. Space is nearer.  
When I crouch to my television set,  
the drained faces of Negro school-children rise like balloons.*

*Colonel Shaw  
is riding on his bubble,  
he waits  
for the blessed break.*

*The Aquarium is gone. Everywhere,  
giant finned cars nose forward like fish;  
a savage servility  
slides by on grease.*

*Selected Poems, Robert Lowell, Farrar, Straus & Giroux*

## READER'S LETTER to *The Socialist Correspondent*

### **The 18th Brumaire of Louis Bonaparte** by Karl Marx

Dear Socialist Correspondent,

Two articles in the last issue of *The Socialist Correspondent* (Issue 18) referenced the *18th Brumaire of Louis Bonaparte* by Karl Marx (1852). What was striking was that these articles dealt with contemporary events in Cyprus and South Africa and they both reached rather different conclusions about the possible way forward for the working-class.

Leslie Masters argues that "...any workers' party that takes power within the context of capitalism is doomed to end up gaining no more than concessions to the workers from the ruling-class." (p13)

Joel Netshitenzhe on the other hand states that "The time has come, in addition to all the other programmes of economic transformation, for the political ruling elite and the ruling class, together to contribute to forging a stakeholder capitalism in which the working class is a real beneficiary." (p25) To be fair Joel quotes the 18th Brumaire in connection with history repeating itself, rather than in relation to the nature of power, but once quoted it is difficult to read the article without thinking about the rest of the text.

The 18th Brumaire is an analysis of events in France from 24th February 1848 to 2nd December 1851 and chronicles the triumph of counter-revolution and the dictatorship of Louis Bonaparte over parliament and the defeat of the working class. As Engels points out in his preface to the third German Edition, Marx applied his theoretical understanding of class-struggle and the nature of class power to the unfolding events of the time.

Marx differentiates between state power and parliamentary power. The ruling class exercises power through more than simply parliament and he identifies the crucial role of the armed forces referring also to the press and the church. The power of parliament is limited and to believe otherwise he colourfully describes as "parliamentary cretinism".

Nevertheless his analysis treats the struggles in and around parliament as a key part of the unfolding events. There is much in Leslie Master's analysis that re-



flects Marx views, however, he somewhat overstates the case when he seems to suggest that aiming for parliamentary power is a pointless exercise for the working class. In the 18th Brumaire Marx is critical of the representatives of the French working-class not so much for participating in parliament but for failing to use their strength to act in their own interests. Instead he describes them following behind the petty-bourgeoisie and being led to defeat.

The participation of the working-class in elections, parliament and government are questions of tactics rather than principle. What will advance the struggle? Leslie rightly identifies that it was reasonable for the AKEL President in Cyprus to have stood for election, taken up his post, but also to have resigned when he could no longer act in the interests of the Cypriot people.

He cites the overthrow of the Allende government in Chile in support of his view. The Chilean Communist Party's critique (1977) agrees that too much store was set by Popular Unity in the parliamentary process at the expense of

having a strategy to take on other elements of state power such as the armed forces, however, this is still not the same as saying that the working-class should not aim for parliamentary power. It is an argument for saying that the working class should not only aim for parliamentary power.

What about the situation in Venezuela in relation to the class-struggle, parliamentary and state power? There the working-class hold parliamentary power, but not state power.

Venezuela is not yet a socialist country. Yet you could not say that the working-class has "gained no more than concessions ... from the ruling-class." The tremendous achievements of the Bolivarian Revolution have been in part possible because the Venezuelans have not suffered from "parliamentary cretinism", but have understood that elections, parliament and

government provide one area for struggle and power; one which will be contested while capitalism remains.

The revolution encompasses not only the government, but also civil society movements and missions routed in communities. Crucially there is also an alliance with the progressive sections of the armed forces, which is described in Venezuela as a pillar of the revolution.

All of this has been actively pursued as a

**Louis-Napoleon Bonaparte, President of the French Second Republic in 1851.**



**The cavalry of General d'Allonville in the streets of Paris, December 1851.**

## READER'S LETTER to *The Socialist Correspondent*

strategy by the Venezuelan Socialist Party and its allies. In addition they have addressed other aspects of state power such as the media, promoting local community media and establishing Telesur which broadcasts internationally as well as in Venezuela. They have learned much from the defeats of the working-class in the past, perhaps in 19th century France, but definitely from the coup against Allende in Chile in the 20th century.

In the first part of his address Joel Netshitenzie describes well how the replication of capitalist norms has recreated similar stratifications and conflicts in South African society as existed before the demise of apartheid.

He recognises also many of the outstanding problems which exist in South Africa due to the legacy of apartheid and continued inequality. However, having identified some of the problems in the second part of the address Joel seems to seek a remedy to these in appealing to the South African ruling class to establish stakeholder capitalism.

This has a number of tragic flaws as a concept. At best it would seek to "gain concessions" from the capitalists to the workers. At worst, and more likely, it seeks to co-opt the working-class into believing that it actually does have a stake in capitalism.

Joel also argues for the South African state to become a "distributive state". To me this sounds similar to dirigisme, a term which was used to describe third world countries where the state played an interventionist role in the economy.

Again he places his hopes in the different fractions of the ruling class getting together to promote this in the interests of the greater South African good and points to the possibilities of such a nation as well as the threats if social injustice is not addressed.

Of course the strands of the ruling-class that his analysis picks out may go down the route of the developmental state and stakeholder capitalism. This might or might not benefit the working class, in the short term.

However, any concessions won from capitalism for fear of social unrest or to manage the economy better to make South Africa more competitive can be taken away as easily as they were given. Even what seemed almost essentially British, the welfare state, comprising the NHS, welfare benefits, a roof over your head and universal education are currently being demolished.

"Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but in circumstances directly encountered, given and transmitted from the past."

These were the concessions made by capitalism in Britain where working class people demanded more after the defeat of fascism in the second world war and the ruling class feared the example of the socialist world, particularly the Soviet Union which had played such a heroic part in that struggle.

It also recognised that the economy could benefit from state intervention to prop up the failures of capitalism and to invest in industry, hence the reason for nationalisation.

Capitalism now sees all of this as an unnecessary cost where in fact they should be making money out of schemes like the Private Finance Initiative, moving people into the private rented sector etc. - or if they cannot make money out of it, like welfare benefits, then let's not have it all.

The working class in South Africa, Cyprus, Venezuela, Britain - throughout the world - will have to make many difficult decisions about tactics and strategy: about how to forge unity, the demands they make, the fights they pick and who they ally with and on what terms. However, their liberation will not be delivered, nor even their advancement guaranteed, by relying on the capitalist class to do the right thing.

In the *18th Brumaire* Marx also says that "Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but in circumstance directly encountered, given and transmitted from the past." (p96)

We cannot pre-determine our road to socialism, but with that strategic goal in mind we will constantly have to make judgements about whether what we do is principled and realistic in taking us towards our goal.

### In comradeship - Frieda Park

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# The Socialist Correspondent

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