

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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Israeli danger

Israel has been campaigning for some time for a line to be drawn after which the US/NATO/UN should



take military action against Iran.

Israeli pressure includes the threat that it may take unilateral action.

The Zionist state has been less vocal on Syria but no less active. It is involved in the attempt by NATO supported rebels to effect regime-change in Syria and remove an ally of Iran. Noah Tucker in his article, "Israel: wars in Libya and Syria", exposes the use of Israeli military supplies in the bombing of Libya last year and its active interest in the conflict in Syria.

The vultures are circling

Much of Mitt Romney's (pictured) considerable wealth comes from Bain Capital, the private equity company, referred to in the article, "The Vultures are circling".

As Frieda Park outlines, "In 1992 it (Bain Capital) bought American Pad and Paper. Bain invested \$5million in the company and made \$107million in dividends. American Pad and Paper went bankrupt in 2001.



Private Equity in Britain is keen to make greater inroads into the health and care industry. Health and care represents 11.1% of UK GDP and so is eyed by private equity as a very lucrative market.

The scandal of the private health company, Winterbourne View, where people with learning disabilities were

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systematically abused was exposed by the South Gloucestershire Safeguarding Adults Board report.

The Serious Case Review stated, "Castlebeck Ltd (the private equity owners of Winterbourne View) appears to have made decisions about profitability, including shareholder returns, over and above decisions about the effective and humane delivery of assessment, treatment and rehabilitation."

The British Equity and Venture Capital Association presents itself as "maintaining a reputation for good quality of care". The smokescreens of 'quality service', 'customer care' and other managerial mumbo jumbo only partially mask the underlying profit motive.

Capitalist values

Brian Durrans in his article, "Capitalist values: two eighteenth century sceptics" looks at the Captain Cook (pictured) and Joseph Banks encounter with Aboriginal Australians and reflects on how these two men questioned the values being produced by early capitalism such as "the consumption of luxuries rather than the production of necessities".



As he points out, these were men who harboured reservations about so-called "European civilisation" brought into sharp relief by their encounter with the aborigines.

In William Blake's poem, *London* we find another example of a critical view of early capitalist society.

Blake's damning poetic critique is analysed by Simon Korner and is as pertinent today as when written in 1792.

The values and ideas developed and lauded by capitalism such as that of individualism, competitiveness, consumerism, avarice and greed are all too evident in today's capitalist world.

Bankers

Reflecting the dominance of finance capital, bankers have come to most

closely represent the pinnacle of capitalism's values.

Les Masters in his, "LIBOR and other banking scandals" examines the falsification of the London Inter-Bank Offered Rate (LIBOR) and how, by manipulation, it "could net a couple of million dollars" for some bankers and, may well, have adversely affected many not so rich retail bank customers.

The author also discusses money laundering, the deregulation of the banks and the financial sector, Thatcher's council house sales, the 'sub-prime' sector, the encouragement of domestic credit, and the boom in commercial credit with the creation of so-called "securities".

The article concludes that "Capitalists do not care where their profits come from ... 'Money does not smell', as the Roman Emperor Vespasian is reported to have commented on the income derived from "a urine tax."

London Olympics

The private sector contributed only 2% to the budget for the Olympic Games, reports Pat Turnbull in her review of the Games but Big Business made substantial profits.

Coca-Cola, McDonalds, Cadbury, Heineken, BAE, William

Hill the bookmaker were just some of the Big Businesses which made a killing. Small local businesses lost out, many of the jobs created for the Games were only temporary and some 5000 jobs were moved out of where the Olympic Park lies.



LIBOR and other banking scandals

Hot on the heels of the credit crunch, the ongoing credit squeeze and lurid tales of bankers' bonuses, the British banking sector finds itself sinking into a new quagmire of scandal.

By **LESLIE MASTERS**

Scandal is nothing new to the financial sector: the frequent unmasking of "rogue traders" - like Bernie Madoff in America - from which at least one bank operating in this country, J. P. Morgan Chase, is thought to have benefitted, via interest and fees, to the tune of \$1 billion; the sweetheart agreement on taxes between Goldman Sachs and high-level officials of the Inland Revenue; and the mis-selling of PPIs and endowment mortgages.

Three British-based banks have been punished recently by various regulators for rigging interest rates (Barclays Bank) or money laundering (HSBC and Standard Chartered).

Barclays were found guilty of rigging LIBOR, the London Inter-Bank Offered Rate. This is a series of interest rates posted by the British Bankers' Association, covering ten different currencies, and repayment periods between one day and a year in length. The rates are calculated by averaging submissions from member banks as to what interest they would expect to pay if they borrowed money from other banks.

As such, the rates are, in part, a measure of the health of the financial sector: submitted estimates are high when confidence is low, and vice versa. Barclays were found to have submitted unrealistically low estimates during and after the 2008 credit crunch, in order to make themselves appear healthier than in reality.

But LIBOR is about more than just the perceived health of the finance sector. Worldwide, around \$350 trillion of financial derivatives are linked to one or other of the LIBOR rates, so changes in the latter affect the price at which these derivatives are traded. Barclays were also punished because, among other things, their traders obtained advance notice of submitted estimates, allowing them to tailor their trading patterns more profitably. The bank itself also adjusted its

submissions to profit from derivatives trading: one trader estimated that a 0.01% change in LIBOR (either way) could net a "couple of million dollars".

This falsification of Libor affects more than just derivative trading; mortgages, loans, and other "retail" financial products often have their interest rates tied to this marker. Just how many retail customers of the financial sector have been adversely affected by an artificially high LIBOR is unknown.

Money Laundering

HSBC have been punished for two different counts of failing to prevent money laundering through their operations. In the USA, they were found to have allowed Mexican drug cartels, a Saudi Bank linked to al-Qaeda, and various countries on the US hit-list (including Iran and Syria) to launder billions through its branches in the USA, Mexico and the Caribbean.

This was not simply failing to stop money laundering, but actively colluding in it. For instance, a US Senate report showed that HSBC's Mexican subsidiary transferred \$7 billion into the bank's US subsidiaries, knowing in advance that much of the money was connected to drug cartels.

Much of the money was transported in HSBC's own armoured trucks as was money from "rogue" states, also known at the time of the transfers. HSBC was fined in Spain, under money laundering regulations, for operating "opaque" bank accounts for wealthy businessmen and professional footballers.

The scale of the punishment was much smaller than that imposed by the US authorities, as was the scale of the operation (about £40 millions). HSBC denied any wrongdoing in the Spanish case.

Standard Chartered have also been punished (by the US) for laundering money from "rogue" state, Iran. The

bank denied any "wrongdoing", but not its relationship with Iran - its actions were illegal only in US, not international, law. That point was made forcefully by a now senior director at the bank at the time the "illegal" trading was taking place. When warned by an American colleague that the bank faced serious consequences because of the trades, he is reported to have replied, "You fucking Americans! Who are you to tell us, the rest of the world, that we're not going to deal with Iranians?"

In all three cases, if the bank did not deny any wrongdoing, the perpetrators were always (or mostly) rogue individuals, or staff no longer at the bank. This has ever been the cry whenever evidence of malpractice has come to light at the banks, from the 1990s onwards.

In reality, the problem is institutional, not individual, and developed partly from the same roots as the factors that made the last financial crisis so much worse than those that preceded it - and partly from capitalism itself, directly.

This is quite clear: none of the three cases highlighted above is an isolated instance. During the investigations into Barclays Bank, evidence came to light of collusion between BBA banks to mark LIBOR up or down, depending on which was the more profitable.

Bank of America, Citigroup (Citibank) and the Union Bank of Switzerland were all implicated in LIBOR manipulations, and Stephen Hester, CEO of the Royal Bank of Scotland, admitted recently that RBS was likely to face punishment for the same thing.

As for money laundering, this has been an ongoing problem for many years. The Financial Action Task Force was established by the then-G7 countries to establish international counter-measures to deal with the problem. How successful it has been - certainly in relation to British banks, can be seen from a report on the question last year by the Financial Services Authority, the British financial regulator.

It reported that there has been little change in the "culture" of the financial sector since 2001, when 15 City corporations were politely admonished for



London's Canary Wharf financial district.

their dealings with the Nigerian dictator Sani Abacha. According to the report, banks ignored allegations of criminality, even from the most credible sources.

Others claimed to have run the relevant checks, but failed to spot credible allegations of criminality which could have been uncovered simply by Googling. Allegations against potentially corrupt foreign politicians were dismissed on the grounds that they had not actually been found guilty of anything.

In either case, the motivation was profit. Changes to LIBOR meant millions from the derivatives trade, or an appearance of health which attracted lucrative custom. And money laundering brings huge profits from interest and fees.

This, of course, is the basis of the “culture” of the finance sector (or any other sector of capitalism), and the context in which “rogue traders” should be considered. Their institutions as such took high risks – but these risks were embodied in the individuals who took the day to day trading decisions. Small wonder that, like any other kind of gambler, some got addicted.

Deregulation

The factor that made the financial crisis that broke out in 2008 worse than its predecessors was the ongoing deregulation of the banks and financial sector.

This process was driven by the accumulation of surplus capital in the sector which could not be invested in existing channels – and which channels became smaller after the Third World lending spree blew up in its instigators’ faces.

Then, banks were encouraged to lend heavily to penniless Third World countries to provide them with the funds to pay for expensive Western weapons systems, the purchase of which was often a prerequisite for the receipt of Western “aid”.

Since then, deregulation of the finan-

cial sector has opened up new channels for investment, new groups of people to milk for profit. Finance capital broke the shackles that had begun to restrict its employment.

Thatcher’s council house car-boot sale was an early example of this. Limitations on mortgages meant many council house tenants could not afford to buy a house at the then-current restrictions. Those restrictions remained in place at the time council houses were sold off – they were obviated by selling the houses to their tenants at bargain prices. Much like everything the Tories sold off.

Those suckered on to the “property ladder” were kept there by the enormous difference between the price they paid for their council houses, and the market price when they sold them; market prices pushed up by the addition of these former tenants to the private housing demand.

Tax-relief on mortgages (MIRAS, and other schemes) also helped in this respect. In the meantime, mortgage restrictions were progressively relaxed, allowing more low-income households (the “sub-prime” sector) to be preyed on. Domestic credit developed along similar lines, making overdrafts, bank loans and credit cards available to poorer and poorer households and individuals.

Commercial credit also became easier to obtain – again, often with government help. Start-up credit for small businesses was a case in point, with various schemes being introduced to encourage banks to lend to would-be “entrepreneurs” without becoming too exposed when the almost-inevitable happened and the businesses folded (which the majority did).

That is, as with mortgage tax-relief schemes, the public purse took the strain. Now, the government has backed itself into a hole (with its deficit-reduction programme), and is reduced to feeble exhortations to the banks to

encourage them to lend money to small businesses. But the biggest boom in commercial credit was within the financial sector itself, as the reduction in the level of regulation allowed finance houses to do more or less as they pleased amongst themselves.

The most obvious example of this was the creation of “securities” based on sub-prime debts. The creation of instruments based on debt is nothing new in itself – they allowed one bank to “lay-off” (to use the bookies’ term) their risks to other institutions, sharing both risks and rewards. It also gave the bank more capital to lend, earlier, rather than having to wait for debt repayments and interest to trickle in.

It was almost inevitable that finance houses would try to lay-off risks from sub-prime borrowers. The “sharp practice” came in selling the packaged debts as “securities” – a term usually reserved for low-risk, low-yield investments. Lending to low-income borrowers was, by definition, high-risk, since this was a group that – even in the best of circumstances – was on the verge of defaulting.

Money does not smell

Finally, thrown into this mix as a complicating factor is US foreign policy. Standard Chartered and HSBC were both punished (the latter only in part) for trading with countries deemed “rogue states” by Washington.

In most cases, this is a unilateral decision by the United States, aimed at advancing the interests solely of US capital. These banks could only be punished by the US authorities because they had operations based in the US – just as, previously, companies could only be punished for the “crime” of trading with Cuba because they had US subsidiaries.

For capitalists, such restrictions are a complication, restriction of free trade, tolerated (in this case, by US capital) only if the expected rewards (following the collapse of the target government) are likely to be greater than those lost to the sanctions.

Capitalists do not care where their profits come from, nor should we expect them to. “Money does not smell”, as the Roman Emperor Vespasian is reported to have commented, on the income derived from a urine tax.

It is a measure of the subservience of the world’s other major financial centres to US capital that few voices have been raised in defence of Standard Chartered’s Iranian trades. The only criticism so far has been of the recently-founded New York financial regulator, for “jumping the gun” and punishing the bank ahead of the federal regulators.

Rail franchise: greed corruption and farce

The case for nationalising the railways in Britain is stronger now than ever, with the latest farce over the First Great Western franchise.

By **SIMON KORNER**

Three senior civil servants are accused of failing to take account of inflation and rises in passenger numbers in their calculations that led to the award of the franchise to First Group.

The lucrative contract has now been re-allocated to Richard Branson's Virgin Trains for at least 9 months, after the decision to award the 13-year franchise to First Group was overturned by incoming Transport Secretary Patrick McLoughlin.

Once Virgin's new contract runs out, two more competitions for the franchise will be held – first for a temporary (two year) contract, and then for the longer-term franchise. The cost of this massively wasteful process rises further with the Department for Transport's decision to pay £40m to compensate the thwarted bidders of the failed tender process.

The RMT's Bob Crow called the arrangement "a shabby deal that will enable them to rerun the whole franchise fiasco in a year's time." He called for the West Coast franchise to be taken

over by the government – as the East Coast franchise has been, after first Sea Containers and then National Express dumped their contracts just before they were due to make huge payments at the end of the contract terms. Both firms had initially placed unrealistically high bids to secure the contract – just as First Group did with the West Coast franchise – and were happy to pay out the small penalty for renegeing on the deal.

Virgin, which has run the West Coast franchise since the 90s, fought hard to regain it from First Group, and Branson succeeded in casting himself in the role of victim, taking the case to a judicial review and on to a hearing in the House of Commons.

But Virgin is no victim, having made £200 million from rail privatization, with a poor record of service provision – high fares and overcrowded trains. At the TUC conference this year, Manuel Cortes, general secretary of the TSSA union, said: "When you look at the very

public spat between Branson and First Group over the West Coast line, you wonder what's behind it. It's not the service for passengers but maximising the profits that they are going to make."

Altogether £1.2 billion a year of taxpayers' money has been spent on subsidizing the privateers. The public money wasted – on taking over the abandoned debts, on duplicating services across different companies, on paying shareholders dividends – could go to cut fares by 18%. Meanwhile, genuine private investment in rail is estimated at barely 1% of the total funding of the railway.

Britain's railways are the most expensive in Europe – where railways are still largely in public hands – with many commuters spending 15% of their income travelling to and from work. Protests over plans for an average 6.2% rise in rail fares have been brushed aside.

Nationalising the railways needn't cost anything, if the rail franchises are taken over at the end of the contract periods. And, apart from freight, it can also be done under EU law.

Whether the civil servants are to blame – and the revolving door between industry and state employees clearly facilitates corruption – it is the inefficiency and greed of a system operated for profit that is the real culprit.



Sir Richard Branson



Bob Crow

Israel: the wars in Libya and Syria

At least one of the NATO states involved in the 2011 war against Libya used 'smart-bomb' components specially imported from Israel to bombard that Arab country.

By **NOAH TUCKER**

Information on the use of Israeli weaponry against Libya was contained in a report released by the Danish Air Force Tactical Command following a Freedom of Information Act request, and has since been confirmed by General Peter Bartram (pictured), who is head of Denmark's armed forces. Denmark was one of the founders of the North Atlantic Treaty Organisation (NATO) in 1949 (see picture).

The Danish justification for deploying Israeli military supplies against Libya is



that the extent of NATO bombing of Libya was so high that Denmark ran out of ammunition for its military jets and therefore needed to acquire more materiel. Danish F-16 warplanes flew 600 missions and dropped 923 precision bombs on Libyan targets.

As well as from Israel, the Danes also imported munitions from the USA and Holland during the seven month war.

The Israeli munitions referred to in the Danish Air Force report were described as parts for precision bombs.

The recently revealed information has caused some confusion in Denmark, where politicians who were the responsible government ministers at that time have denied giving specific authorisation to obtain Israeli materiel.

The Danish newspaper, *Politiken*, which had made the Freedom of Information Act request, reported: "Then Defence Minister Gitte Lillelund Bech says she was told that the Danish contingent lacked munitions and gave the green light to purchase or borrow from the Netherlands and Poland. She said,



24 August 1949, inside the Oval Office of the White House. US President Truman (seated) signs the document implementing the North Atlantic Treaty in front of ambassadors and diplomats from the US, the UK, Denmark, Canada, Norway, France, Portugal, the Netherlands and Italy.

‘But I never heard anything about Israel in that connection. Nothing at all.’ The foreign minister at the time – Lene Espersen – was not asked either. Espersen said, ‘As foreign minister I was not aware of the weapons used by the defence forces, nor where they came from.’

The newspaper also reported the comments of Defence Chief Peter Bartram: “The military does not carry out foreign policy. What we do with other countries is approved at the political level.”

Asked why Israel was contacted for supplies, Bartram says the supplies were hard to find. “A fighter is not just a fighter. There are different configurations. And not all countries have precisely the type of ammunition relevant to Danish aircraft. So only a certain group of countries are relevant,” Bartram says.

For its part, NATO did not admit having a role in the Danish decision to use Israeli munitions against Libya:

Although Israel has been a NATO partner for many years, NATO denies that the political approval claimed by General Bartram came from NATO.

“NATO plays no role at all in connection with the purchase or borrowing of ammunition from Israel. It is a bilateral issue between member and partner countries,” a centrally placed NATO source says.

However, for top military decision makers there is something of a revolving door between the Danish Armed forces and NATO.

General Peter Bartram, who was appointed Chief of Defence in Denmark in March 2012, had at the time of the war against Libya been serving as assistant chief-of-staff at the NATO Allied Command, a post based in the USA. General Knud Bartels, who was Denmark’s Chief of Defence during the war, has since taken up the post of Chairman of NATO’s military committee.

It may also be noted that the report on the military campaign against Libya released by the Danish Air Force Tactical Command was heavily redacted.

The content of this classified information, which is presumably of an even more sensitive nature, can only be speculated on. As remarked in the article in *Politiken*, Israel although not a NATO member is an official partner of the Western military alliance, and there is deep cooperation between NATO and the Zionist republic.

Israel’s main foreign suppliers for weaponry, which it uses to occupy Palestine and the Syrian Golan Heights as well as threatening the region with its nuclear arsenal, are of course the NATO states, principally the USA, Germany, Britain, France and Italy.

In addition there is extensive direct military cooperation; for example as reported by the Israeli newspaper *Haaretz* on 11th October 2012: “Admiral James Stavridis, NATO supreme commander, is scheduled to visit Israel in two weeks at the height of a joint exercise carried out by the Israeli and U.S. armies. American forces participating in this drill, Austere Challenge 12, have already begun to gather in recent days. The training exercise will be based in southern Israel, on Israel Air Force bases and various firing ranges. Some 1,500 US servicemen are expected to take part in the drill - about 1,000 fewer than originally planned, but still more than in previous joint exercises.”

Israel and NATO against Syria

Israel and the NATO countries also have common interests in intensifying the conflict in Syria.

The ‘Jewish state’ is careful not to take a too prominent (in public) international role in support of the foreign-sponsored civil war in Syria; this would be self-de-

feating, particularly as it would embarrass the Arab Gulf kingdoms and anti-government forces within Syria.

However, the Israeli establishment has made sure to let its supporters at home and abroad know that Israel has an active policy.

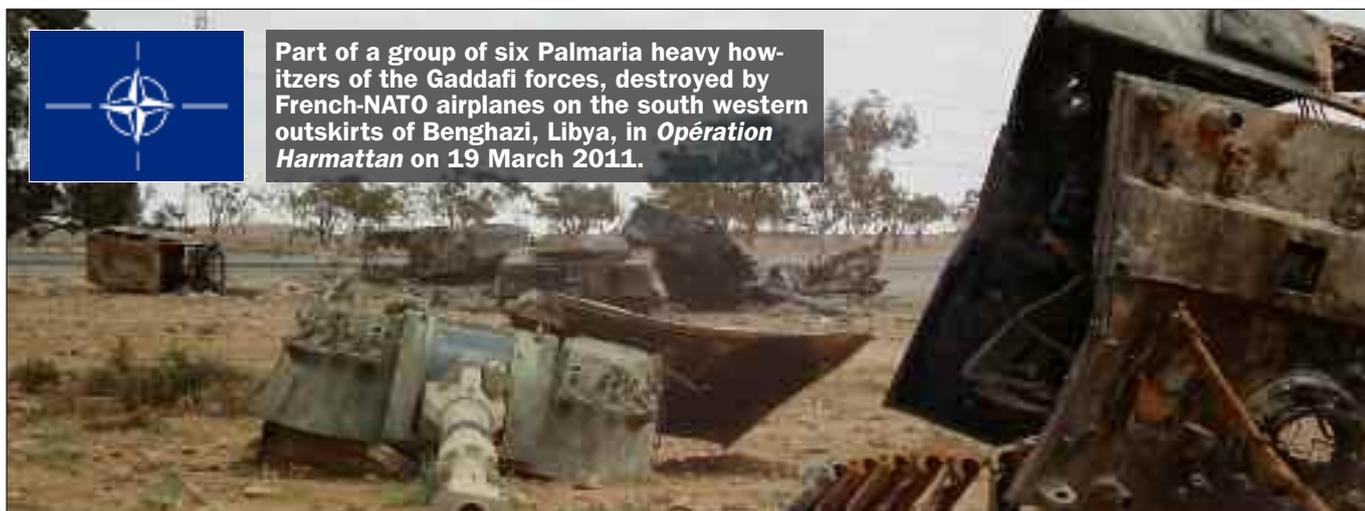
This is not merely to severely weaken Syria, but to achieve regime change against the government of Bashar al-Assad (pictured). Some of the reasons for this were outlined in an interview



with the former Israeli National Security Advisor Efraim Halevy conducted in February 2012 by the *Los Angeles Times* and reprinted in the *Jerusalem Post*: “Instability in Syria poses stark security risks for Israel, but it also offers a chance to deliver a stinging blow to Iran’s regional ambitions and even its nuclear program, Israel’s

former national security advisor says.[...] Efraim Halevy, who also led the Mossad spy agency from 1998 to 2002, believes Israel should also focus on exploiting the opportunity to strike Iran politically and diplomatically through the fall of Syrian President Bashar Assad, a staunch ally of Iran [...] Halevy, now a leading intelligence analyst here, said Israel should start to look at Iran and Syria as two sides of the same problem.”

In the interview, among the motivations for which was very likely to signal to Jewish, Christian and business sup-



Part of a group of six Palmaria heavy howitzers of the Gaddafi forces, destroyed by French-NATO airplanes on the south western outskirts of Benghazi, Libya, in *Opération Harmattan* on 19 March 2011.

porters of the pro-Israel lobby in the USA that they should get behind the campaign for regime change in Syria, Halevy told the *Los Angeles Times*: “Iran has invested enormous efforts in trying to secure Syria as a major partner. The Alawite minority is very close to the Shiites in Iran. The Syrian army is mainly based on Alawite command and has units that are purely Alawite. This makes the Iranian investment all the more important. Syria is also the conduit for Iran’s arming of the Hezbollah Shiite forces in Lebanon and Hamas in Gaza. If the regime falls in Syria and the Iranians are expelled, this is going to be a horrendous defeat for Iran ...”

Revealing Israel’s interest in promoting sectarian conflict between Muslim Arabs, to deflect from Israel’s policy of

dispossession and oppression of Arab people, in the *Los Angeles Times* Halevy added: “Israel shouldn’t be directly involved for obvious reasons. Once Israel enters the fray, this becomes an Israeli-Arab or Israeli-Muslim confrontation, which deflects attention from the main issues of Sunni-Shiite, and the Shiite repression of a majority in a foreign country. Israel should promote through its channels with major powers in the world a dialogue between leaders in Western nations and Russia to try to forge a common policy on Syria, which would entail mutual concessions at the American and Russian level [...] Israel has certain interests in Syria which have to be taken into account. The ultimate resolution of this crisis should not leave an Iranian presence in Syria with a weakened

Assad. I don’t want to see Iran having its own finger on the button of Syria’s strategic weapons. Israel must make sure this does not happen.”

Efraim Halevy, who was born in London UK and emigrated to Israel at the age of 18, served 28 years in Mossad, the Israeli intelligence / security / assassination service.

He has experience in the matter of destroying Arab solidarity against Zionist occupation; he is credited with achieving the Israeli ‘peace treaty’ with Jordan in 1994. From 1996 to 1998 he was Israeli ambassador to the European Union. Within Israel, Halevy is regarded as a ‘moderate’ figure.

This article is also published in www.21stcenturysocialism.com

The remains of a Syrian fortification on the Golan Heights. During the 1967 Arab-Israeli ‘Six-Day War’ the invading Israeli Defense Force turned the Syrian fortification into a memorial to Israeli soldiers. Israel still occupies the Syrian Golan Heights.



South African union unity under attack

The killing of 34 miners in South Africa has highlighted the continuing social inequality in South Africa.

By **EDWARD MORGAN**

It represents a difficulty and warning for the South African liberation movement.

The AMCU, the Association of Mining and Construction Union formed two years ago with funding from mining multinational BHP Billiton Coal, sought to weaken the collective bargaining power of the NUM.

There has, since the AMCU's inception, been a spate of violent clashes with NUM members, with many deaths – clearly at the instigation of the mine owners.

Last year, Impala Platinum, for instance, in a competitive drive against rival Lonmin, tore up collective agreements made with the NUM, by offering higher wages to mineworkers with blast-certificate holders from other companies.

It wanted to poach these skilled workers, who are in short supply. The less skilled rock-driller operatives felt aggrieved and forcibly ejected the NUM leaders from the mine.

The company sacked 17,000 of the rock-drillers and told them to reapply for their jobs with none of the improved conditions won over the years, leading to a wildcat strike in January that left 3 dead.

Having divided the workers, Impala produced resignation forms for NUM members to sign, paraded them publicly and pressed them to switch to the AMCU.

At Marikana earlier in the year, the AMCU leaders promised a pay rise of 300%. The rock-drillers were coerced

into joining and warned that anyone disclosing the fact they'd been coerced would be killed.

The strike and standoff between workers and police became violent, leading to 10 deaths, including 2 policemen and 2 security guards, as well as several NUM shop stewards, the week before the massacre of 34 miners on 16 August. Police say they were advanced upon by men armed with traditional weapons, and some with pistols, and that they fired first, and there does seem to have been deliberate incitement, with some strikers persuaded that a medicinal plant, *intelezi*, could immunize them against police bullets.

The use of subcontracted workers – many drafted in from the Eastern Cape – has caused community tensions, leading to violence last year between unemployed youth in Marikana and 'outsiders'.

The patterns of migrant labour hark back to the apartheid era, with many workers coming from the same areas set aside by apartheid to provide cheap labour for the mines, and also from neighbouring countries like Mozambique. At Marikana, half the workforce is migrant labour.

The workers no longer live in purpose-built hostels provided by the company but receive a 'living out allowance' – not enough to pay for a real house, so they're forced to live in shack slums where they become prey to vigilante gangs and 'shacklords'.

It is a malevolent atmosphere, alongside the dire working conditions that have led to numerous deaths due to poor health and safety, made worse by the extensive use of sub-contracted – and thus inexperienced – labour.

COSATU has called the Marikana killings a disaster, but is not rushing to blame the government until the official Judicial Commission of Inquiry has done its work, an Inquiry viewed with scepticism by some.

COSATU criticises the use of live rounds to suppress workers' struggles, as well as poor police training. COSATU also criticises the fact that some of the workers were armed with

South African Communist Party Statement on continued killings of NUM members 8 October 2012

The SACP is saddened and outraged by the ongoing and senseless killings of NUM shop stewards and their families or relatives. These barbaric acts, as we have said, are aimed at weakening and destroying the NUM in particular and COSATU.

Clearly what has been camouflaged as legitimate workers demands and protest in the mining sector has now been hijacked by regressive forces, just like the way apartheid did, to try and eliminate the NUM and its basic unit, the branch. To use violence to mobilize workers away from their organization must be strongly condemned. Over a period of time the SACP has been warning of an existence of a lumpen tendency that is prepared to do anything, including these senseless killings, to assume power in society. Unless all progressive forces stand up and unite, the gains of the working class will be reversed.

The SACP calls on the state to act without haste to stop this bloodbath in Marikana and elsewhere. We also call upon employers to take responsibility for these developments as it is their own dangerous and opportunistic actions in trying to weaken the NUM that has led to this situation. Once more the SACP calls upon COSATU and all its affiliates to unite against this counter-revolutionary offensive.

traditional weapons. It also condemned the arrest of 270 miners on charges of murder – before the outcome of the inquiry – and was influential in their release.

The political opposition has seized on the police violence. Expelled ANC Youth League leader Julius Malema, a millionaire, says Zuma ‘presided over the killings’. The Johannesburg Star newspaper said that “post-mortem reports indicate that most of the people were fleeing from the police when they got killed.”

Police

What are we to make of the crisis? First, the police – while they are part of the machinery of a capitalist state – are not the same as the apartheid police. Colonialism of a Special Type has been defeated in its political form – though economically, one might say that neo-Colonialism of a Special Type persists.

So far South Africa has been a state whose capitalist class violence has been to some degree held in check by the influence of the organized working class on government, as part of the ongoing national democratic revolution.

But in the economic downturn, with profits down – in the case of platinum production due to the decline in the European car industry which uses platinum for catalytic converters – the capitalists have suppressed wages, leading to strikes and, in turn, harsher suppression of workers; and the state forces have been used to carry out this suppression. The class nature of the struggle is becoming

increasingly clear.

Although important gains such as housing, water, electricity, education and healthcare, have been made in South Africa, the slow pace of reform and the opposite tendency of privatization and austerity have made it a country of extreme wealth inequality.

A black middle class of around one million people has emerged since 1994 but the old apartheid divisions remain largely intact. Whites, who account only for 9.2% of the population, still receive 45.3% of income. The inability of capitalism to deliver means more violence and division are likely in future.

In this situation, the growing number of splinter unions has a clear counter-revolutionary thrust. The NUM forms the backbone of COSATU with more than 300,000 members, and has improved wages and conditions at mines, so the attack on the NUM is clearly aimed at the entire union movement as well as the ANC/COSATU/SACP alliance.

Other splinter unions apart from the AMCU are NATAWU, which broke from SATAWU. A COSATU statement said that the splinter movement ‘represents the biggest onslaught waged by the bourgeoisie against the living standards of the working class.’ The principle of one industry one union, long held by COSATU, is under attack, benefitting the capitalists.

The splintering of the organised labour movement in the mining industry goes back to the late 90s and early 2000s – when violent clashes took place in the

platinum mining areas, linked to the ‘Workers Mouth Piece Union’, a violent grouping nurtured by the mining corporations and what the SACP’s Jeremy Cronin calls “shadowy white Afrikaner con-men.”

While that is true, the growing ability of demagogues to stir up trouble among disgruntled workers points to weaknesses in COSATU and the SACP.

How the alliance – whose internal strains have long been anticipated – responds to this crisis is an important indicator.

The sense one gets from the Minister of Police is that he regards the police as defending the national democratic revolution against counter-revolutionary violence, rather than defending capital against organized workers.

But national democracy is not realizable without the working class advancing. The COSATU president, Sdumo Dlamini said recently: “None of the problems confronting workers and our people ... can be resolved within the framework of capitalism.”

He highlighted the complex role of the police – expected to control protestors by force and yet, as part of the revolutionary trade union movement, expected to defend working class interests.

Settlement

The striking miners had demanded a rise in wages of \$1500 a month, from the \$500-\$1000 they earn now. At the Marikana mine they have won \$1350. The AMCU will hope to take the credit for the settlement.

**COSATU 11th Congress Declaration on the Lonmin Marikana platinum mine tragedy, the mining industry, and general poverty wages
17 September 2012**

We the 3,000 delegates to the 11th COSATU Congress, in the presence of over 500 invited guests, and in the true spirit of “An Injury to One is an Injury to All” wish to express our sincere and heartfelt condolences to the families of at least 60 people killed in the course of the Lonmin and Impala disputes.

These include 5 killed at Impala Platinum, 6 at Aquarius Platinum, and 47 at Lonmin Marikana (10 before 16th August, 34 on 16th August, and 3 after the 16th August). We wish a quick recovery to all those who have been injured.

We declare our solidarity with all the working class communities in the affected areas whose lives have been shattered by the ongoing violent disputes in the mines. COSATU stands ready to join all South Africans and the progressive peoples of the world who genuinely want to see real peace and stability return to the affected mines through finding a just solution to the violent crisis.

We welcome the Independent Judicial Commission of Inquiry appointed by the government that will investigate all the events leading to fateful day of 16th August 2012. As

COSATU we pledge to do our part to ensure that all the relevant factors and evidence that led to the violence and tragedy of 16th August are revealed by ensuring that our members who witnessed violence before, during and after the tragedy cooperate with the Commission of Inquiry.

We will do everything possible to help prevent any further deaths. We condemn violence, warlordism and intimidation from any quarter and strongly support the principle of Freedom of Association, especially for the working class.

Membership of any union or any party should never cost a



Continued on page 12

life. We reiterate the position expressed in a resolution taken at a previous COSATU Congress that we abhor the use of unnecessary force by the police against workers in all labour disputes, and believe that police officers are unfairly placed in situations which they are untrained and ill equipped to deal with. We also renew our call for the demilitarisation of SAPS.

We promise to defend our affiliate the NUM against ongoing violent attacks on its members and leaders. And we pledge to fight for the reinstatement of all the 2500 workers who were dismissed by Implats earlier this year, and the 800 who were dismissed by Lonmin last year.

We are extremely concerned that the events of 16th August and the ongoing violence, whose main victims remain the exploited masses, has shifted the focus and blame from the Platinum bosses who have systematically undermined collective bargaining and promoted division amongst workers, and who have been sitting in the shadows enjoying profits from the very workers whose families have now been robbed of their only breadwinners.

We call for a second Independent Commission of Inquiry that will work parallel to the Judicial Commission already appointed by the President. The terms of reference of this second Commission must be to investigate the employment and social conditions of workers in the mining industry, historically and at present. The Commission will have also to look at the global context of the industry. It should be of a scale similar to the 1979 Wiehahn Commission into Labour Legislation and the 1995 Leon Commissions into Health and Safety on the Mines. The Commission will be linked to a COSATU campaign for the complete transformation of the mining industry.

We commit ourselves to constantly working to improve the service that we as unions provide our members, including to protect and advance collective bargaining and to fight against attempts by employers and other expedient groups to promote employer unilateralism and the fragmentation of worker power.

We pledge that we will continue to strive to unite all workers in the struggle against poverty and exploitation, and for safe working conditions, decent and quality jobs, comprehensive social security and comprehensive social services

South Africa: the national and global crisis of capitalism and the centrality of the mining industry to the South African economy and society

South African capitalism has its origins in, and has flourished on the back of the exploitation of black and African labour; it serves, and is owned and controlled by, a tiny white population and its foreign backers.

In 1994, the African National Congress government inherited a collapsing colonial economy and society of South Africa, from the departing Nationalist Party. In this economy and society, Black people in general, and Africans in particular, suffered mass poverty, widespread unemployment and were victims of extreme forms of inequalities.

Mass poverty, widespread unemployment and extremely unequal social, economic and cultural conditions have been the burdens of Black and African people in South Africa before and from its inception, in 1910, to date.

The struggle for liberation was in fact waged in order to

overthrow this situation: a situation in which the majority of the people of South Africa lived subhuman lives while the white population lived affluent lives.

The Freedom Charter accurately captured the aspirations of all peace, democracy and justice loving South Africans, thus it became the revolutionary programme of the Liberation Movement in South Africa.

Today, the whole world is reeling under the weight of the worst ever global crisis of capitalism. From 1996 onwards, South Africa moved rapidly to integrate fully into the global capitalist economy. Today, South African workers, like all workers of the world, are suffering the effects of the global crisis of the world capitalist system.

The global capitalist crisis has seen the capitalist class scrambling to claw back its rate of profitability. And as with every crisis of capitalism before it, capital is rallying by attacking the working class. In the workplace the attack is being effected through the relocation of production, casualisation, sub-contracting and labour broking, through reducing the size of the workforce, factory closures, and through changes in production processes. Attempts are being made to undermine trade union rights including collective bargaining, and a growing emphasis by the bosses on performance pay (usually meaning not negotiated), and the reduction or elimination of employer contributions to the social wage and to social security payments.

Outside of the workplace the squeeze in many countries is being effected through cuts in social services and increasing privatisation of basic services such as health, education, water and electricity. At the same time, food prices and the price of basic services such as water and electricity are increasing dramatically.

In all capitalist countries, of which our own is no exception, the state plays a central role in bolstering capital's efforts to resolve the crisis by increasing levels of exploitation and accumulation. Calls for fiscal austerity are part of this. The

working class, through its organised formations, has to contest this, and mobilise for responses to the crisis which shifts the burden of responsibility to those generating the crisis; and protects workers and poor communities from bearing the cost.

A feature of the current global capitalist crisis is that while attacking the working class, the ruling class increasingly rewards itself with grotesque pay and bonuses, engages in corrupt practices, and isolates itself from the rest of society by creating a privatised cocoon for itself. Never before has the gap between the rich and poor grown so rapidly.

The impact of the global economic crisis is being felt by the working class in growing unemployment (globally 210 million in 2010, the highest ever level of unemployment),

a growing precariousness of employment, declining household incomes, reduced pensions, and reduced social services. Social cohesion, trust and solidarity invariably take strain under these conditions.

However, these processes of attacking the working class have never happened without a fight-back from the working class. And the fight-back invariably leads to attempts by the state, acting in the interests of the capitalist class, to put down resistance through coercion or force. That is why we have seen bloody clashes between protestors and police in the past year in Madrid, in Wisconsin, in London, in Seoul, in Cairo



and in Athens. In this context, the actions of the police in labour disputes in South Africa, most recently in Marikana, reinforces the perception that rather than protecting ordinary people, police are advancing the narrow interests of employers.

The South African crisis of capitalist accumulation and the centrality of the mining industry

There is one major difference between South Africa and the rest of the world: the global capitalist crisis is worsening the already existing triple crisis of mass poverty, widespread unemployment and extreme inequalities in South Africa.

In this 11th COSATU Congress we will once again, through our Socio-Economic Report, show just how desperate the conditions of life of the majority of the South African working class have become.

It is this which explains the desperation, anger and frustration of the majority of the South African working class who are largely Black and African: the inherited triple crisis is being compounded by the impact of the global crisis of the capitalist system!

COSATU has consistently warned that the poverty, unemployment and inequalities affecting millions of South African workers are a ticking time bomb!

But there are features that make our situation different in other respects as well. One of those features is that our government has a commitment to increased social and infrastructure spending, as opposed to deep cuts in these areas. That is to be welcomed, even if as we know, there are challenges in implementation. But the other feature which makes our situation unique is the absolute centrality of the mining industry to our economy. This uniqueness has an ugly side to it, which is both historic and current.

The proposed Commission must trace the history of the mining industry in South Africa, including its past and present discriminatory practices, its historical reliance on cheap labour, and the history of treating mine workers as subhuman,

The mining industry directly employs around half a million workers, with another 400,000 employed indirectly by suppliers of goods and services. The combined direct and indirect contribution of the industry to our gross domestic product is around 18%. Mining also accounts for over half South Africa's foreign exchange earnings. These are seemingly "neutral" statistics.

But the industry has what the NUM has described as a "killing face", reflected in ongoing fatalities, rapidly growing occupational diseases, unchecked environmental degradation, and squalid living conditions for many mine workers. Between 1900 and 1994, 69,000 mine workers died as result accidents and over a million were seriously injured.

While the rate of fatalities and injuries has declined, it is still totally unacceptable, and has given reason for the NUM to call regular strikes on safety. 2301 workers lost their lives in the ten years between 2001 and 2011, and nearly 43,000 were seriously injured.

The mining industry has been found to be linked to 760,000 new TB infections per year given the effects of silica dust, poor

living conditions and the prevalence of HIV and AIDS. This is a catastrophic figure, given that TB is an infectious and often deadly disease. The social consequences on the Southern African Region could be disastrous. In addition, silicosis (caused by the inhalation of silica dust underground) on its own is a killer disease, claiming the lives of thousands every year.

As the NUM has put it "Many mining workers employed underground will not live to see retirement without bodily harm. They will either be killed, injured or fall sickly."

Not only is the mining industry characterised by death and disease, it is also characterised by remnants of apartheid. We all know that the industry was intertwined with apartheid through its use and promotion of tribalism and racial segregation and discrimination, so it should be no surprise to us that these are still to be found in many of our mines.

It is not unusual, for example, to find white workers using separate shaft lifts. Racism is also institutionally entrenched through continued occupational segregation. While 83.7% of the total workforce in the industry is black, 84% of top management remains white! 72% of middle management are white, and 68% of professional workers and artisans are white.

While progress has been made in recruiting and training women in the industry, the environment remains hostile. Discrimination, violence and rape are not uncommon. Binky Moisan, an NUM comrade in the platinum sector, was earlier this year murdered underground.

Inequality is at its most extreme in the mining industry. It is no coincidence that the highest paid executive directors in South Africa in 2009 were in BHP Billiton (average R41m), Anglo American (average R20.5m), Lonmin (average R20m) and Anglo Gold Ashanti (average R17.5m). Compare these grotesque salaries to the current median wage of R4000 per month (or R48,000 per annum) and median minimum of R3600 a month (R43,200 per annum) of NUM members!

The mining industry is peculiar in that reduced demand for its output does not necessarily result in reduced profits. Profit depends on the price of the commodity, and that price can be manipulated by artificially manipulating supply and demand.

So, for example, despite reduced demand for platinum in Western Europe and the US due to the recession, the three platinum companies Lonmin, Implats and Anglo Platinum registered an operating profit of more than R160 billion in the past five years!

The centrality of the mining industry to our economy is reflected in urban development which is driven by the sector. Just as Johannesburg was built on gold, Rustenburg is currently growing in a fashion which only meets the short term and rapacious interests of the platinum sector. Instead of a people-centred, sustainable modern city, the fastest growing city in Africa is characterised by no planning, mushrooming informal settlements (38 at the last count), and poor service delivery. Corruption is rife, and politics is murderous. Anarchy prevails.



The mining industry directly employs around half a million workers, with another 400,000 employed indirectly by suppliers of goods and services. Mining also accounts for over half of South Africa's foreign exchange earnings.

This is the context that our affiliate, the National Union of Mineworkers organises in. The NUM has made huge strides over its 30 years of existence achieving massive improvements in the pay and conditions of mine workers. 30 years ago the industry was uniformly characterised by the very lowest pay, tribal factionalism, the physical abuse of workers, and dismissals without hearings.

The industry was almost inaccessible to organising. Through struggles in the trenches led by the NUM, much has changed. But as indicated, there is much that remains unchanged in the structure and general characteristics of the industry. The fact that there is still so much that needs changing is not as a result of weaknesses of the NUM, but due to the entrenched position of the industry in our economy, and its resistance to radical transformation.

To change the mining industry we need maximum unity of workers

Our affiliate the NUM has been at the forefront of calling for radical change in the industry. But its efforts have been frustrated by unilateralism on the part of the bosses, by the blind encouragement of splinter unions by the bosses by competition for positions of shop steward, by the resuscitation of tribalism in some areas, and the resistance of our government to ban the practice of labour broking.

In the Platinum sector, employer resistance to centralised bargaining has added to frustrations. What has made matters worse is that where divisions have resulted in physical attacks against NUM members, SAPS has consistently failed to act. This has led the NUM to conclude that sections of SAPS are part of an anti-worker, ultra-nationalist “state within a state” which is acting to support a narrow grouping of business people and politicians. COSATU supports the NUM in its call for proper policing in the form of investigations, arrests, prosecutions and convictions in the case of reports of violence against NUM members or workers in general. This call for proper policing is not to be interpreted as a call for the violent repression of protesting workers. COSATU has unequivocally condemned the killings of 16th August.

Workers in the mining industry are clearly ready to tackle the need for deep change. The divisions amongst workers, and the other factors described above, combined with the appearance on the scene of uncountable numbers of opportunists seeking to pull workers this way and that way, are creating serious obstacles for the NUM to take the struggle forward.

In the face of all of this, COSATU recognises that the changes that are needed in the mining industry require the following of the Federation:-

- A clear message to mine workers that “united we stand, divided we fall”. While breaking out of the NUM’s fold might appear to bring short term gains to some workers, in the long run it will weaken the power of mine workers to change the industry and improve conditions overall.

- A strong appeal to any NUM member who has a genuine grievance against the union to channel this through the union, or via COSATU if necessary.

- Ongoing discussion at all levels of the Federation of how best to practically support the NUM going forward.

- A clear message to the SAPS and the Judiciary, that where there are continued violent attacks on mine workers and their families, these should be speedily investigated, and we must

see arrests, prosecutions and convictions.

- The urgent establishment of a Commission into the historical and current working, social and living conditions in the mining industry.

- We demand that the Mining Industry takes urgent steps to comply with the Mining Charter.

- The proposed Commission will be linked to a Federation-wide solidarity campaign for the complete transformation of the industry. Such a campaign will be for an industry that reflects what is right and fair in a democracy. Every COSATU local and every affiliate will be expected to engage on how the struggle for transformation in the mining industry links to transformation in other sectors. It will include the demand for people centred urban development which is not anarchic as we have seen in Rustenburg.

Attacking poverty wages and inequality

Over and above the special attention to the mining industry, COSATU promises a militant campaign to tackle poverty wages in general. It is totally unacceptable that half of all employed workers in this country earn R3000 a month or less. The proposed elements of this campaign are spelt out in the Organisational Report to Congress, but in sum include:-

- A campaign to radically raise the lowest levels of pay in our country, with demands based on calculations of living requirements. As part of this, Congress will debate the principle of a National Minimum Wage.

- A demand for compulsory centralised bargaining in all sectors. We are convinced that we would not have seen the unfolding of events in the platinum sector if the mining bosses had seen beyond their own self interests to agree centralised bargaining.

- A pledge to move away from across the board percentage increases only, which we recognise have created inequalities between unskilled and skilled workers. While wages have on average beaten inflation, the real wages of many of our lowest paid members have actually declined.

- A campaign to move away from grading systems which have been imposed over time

by the bosses and which disadvantage workers such as the rock drill operators in the mining industry. Workers who are central to any operation, and those who do dangerous or heavy work, should be rewarded accordingly. The fact that they do not “make decisions” as per the evaluation of the bosses should not be the sole factor in determining pay.

COSATU condemns, in the strongest terms, the opportunistic political exploitation of the plight of workers and incitement to violence by any groups or individuals for their own selfish ends.

We remain committed to doing whatever it will take to rebuild the confidence of the working class in the mines in the NUM and the unity of the Federation. We will work with the NUM to ensure that the mine workers who have left the NUM are brought back into the COSATU fold and to the home where they belong, and that their legitimate concerns about working and living conditions in the industry are addressed with maximum solidarity from all workers in the Federation.

**Defend the NUM
Transform the Mining Industry
Forward to Decent Work for All
A Luta Continua**



Health and care: the vultures are circling

Private equity companies get a lot of bad press and rightly so.

By **FRIEDA PARK**

By virtue of being private they have no legal reporting requirements and they are not even nominally accountable to shareholders in the way that Public Limited Companies are.

Private Equity is big – 1 in 10 workers in the USA are employed in companies owned by private equity firms.⁽¹⁾

In Britain these include well known brands such as Saga, the AA and Boots. Their owners may be happy to reap continuing rewards from these companies, however, private equity is also on the lookout for companies that it can asset strip and then profit from their sale or closure. Workers lose their jobs in this process or see their conditions of employment radically reduced.

A favoured tactic is “leveraged buy-out” where a target company is bought with a very high level of credit compared to the actual amount of cash used to finance the purchase.

The twist is that the debt then belongs to the company which has been purchased and not to the company that bought it. This enables Private Equity companies to take profits from such acquisitions without much risk and has led to many debt-laden companies going bust while their private equity owners face no financial penalties.

Mitt Romney

US Republican Presidential Candidate, Mitt Romney was the owner of private equity company Bain Capital. One example from its history amply illustrates the bloodsucking tactics employed in the sector.

In 1992 it bought American Pad and Paper. Bain invested \$5 million in the company and made \$107 million in dividends. American Pad and Paper went bankrupt in 2001.⁽²⁾

In Britain, private equity is keen to make greater inroads into the health and care industry, so it is not, perhaps, surprising that it is trying to burnish its image.

Not only does it have to contend with

the poor reputation the sector has in general, but it has recently faced the scandals of Winterbourne View, where people with learning disabilities were systematically abused, and Southern Cross the care home business which collapsed.

To that end the British Private Equity and Venture Capital Association recently commissioned a report into private equity and health and care services in Britain.⁽³⁾

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In Britain, private equity is keen to make greater inroads into the health and care industry, so it is not, perhaps, surprising that it is trying to burnish its image.

It masquerades as an objective analysis but it is in reality a thinly disguised puff for the private equity industry. Touching fleetingly on the above scandals it makes many assertions unsubstantiated by any actual evidence of the valuable contribution made by private equity companies:

“(Private Equity provides) An important source of capital to fund both new capacity and up-grading of assets to meet user needs...”

“...maintaining a reputation for good quality of care is of prime importance in sustaining the long term value of health-care business.”

“...there are strong a priori reasons for supposing that, in the post-global credit crisis environment the interests of private eq-

uity backers of healthcare companies are well aligned with the public interest in maintaining operationally efficient businesses offering good quality services.”

The belief of the report’s authors that the credit crisis has ended must be enough to question not only their objectivity, but from which planet they are viewing Earth.

By some strange coincidence the Laing Buisson report was published a couple of weeks before the damning report of the Serious Case Review (SCR) commissioned by South Gloucestershire Safeguarding Adults Board into Winterbourne View Hospital owned by private equity company Castlebeck.⁽⁴⁾

At present private equity companies account for only 4.8% of the health and social care market in the UK, but their activities are concentrated in providing residential care for people with the most complex needs or who are particularly vulnerable and marginalised in society. So, for example, private equity provides 16% of mental health and learning disability hospitals like Winterbourne View.⁽⁵⁾

The Laing Buisson report states that health and care represents 11.1% of UK GDP and that there are significant business opportunities in the industry. To date this has been most significant in social care.

It points out that the “principle driver” in the privatisation of social care has been the lower pay rates and worse terms and conditions of employment for staff in the private as opposed to the public sector.

This of itself must bring into question the report’s assertions that private equity will provide high standards of care. Paying staff less and employing them on poor conditions has never improved services anywhere.

Trying to evade an examination of the quality of care provided by the private equity sector, Laing Buisson blithely state, “...there are at present no internally or externally produced quality indicators which enable service users and public sector commissioners easily to compare quality across providers in any of the healthcare markets considered.”



London Bridge Hospital, a private hospital on the south bank of the Thames. It belongs to Hospital Corp. of America (HCA) based in Nashville, Tennessee, USA. HCA International is the largest private operator of health care facilities in the world. Picture - Andrew Wood.

Thus it gives the incorrect impression that care standards are not measured. There might be no common set of standards, but each sector has to meet its own standards set by regulators and inspectors such as Her Majesty's Inspectorate of Education and the care inspectorates in the different parts of the UK.

The report cannot duck the issue entirely, however, and it does produce statistics from 2010 showing that private equity owned care homes in England performed less well than those run by charities or the public sector, though the conclusion it draws is that "performance is variable".

Hardly the ringing endorsement claimed elsewhere in the report and definitely not an advertisement for further privatisation.

Even post-Winterbourne View the Care Quality Commission (CQC) continues to uncover private equity owned homes where care is poor and residents are subject to abusive behaviour and regimes.

Nor was Winterbourne View a rogue outpost in Castlebeck's portfolio. CQC investigations into its services in the immediate aftermath of the scandal breaking found "serious concerns" at four services and that only half were meeting basic essential requirements.⁽⁶⁾

In addition to Winterbourne View a further two Castlebeck services closed down in 2011.

The South Gloucestershire Safeguarding Adults Board Report into Winterbourne View is a powerful critique of the business practices of Castlebeck and points to the dangers of care being provided by those whose only accountability is to making profit.

In significant respects Castlebeck failed to collaborate with the Serious

Case Review (SCR), giving the lie to any professed commitment to high standards and accountability. The entire body of Castlebeck's own review of the Winterbourne View scandal was redacted and all that was made available to the SRC were the introduction, recommendations, action plan and the annexes.

Privatisation of health and social care enables companies which are secretive in their operations to create services in line with their business models, rather than promoting best practice in the care and support of the most vulnerable people in society.

Castlebeck received around £3500.00 per week to fund resident's care at Winterbourne View. Citing commercial confidentiality, it refused to provide a breakdown to the SCR of how this money was spent to meet residents' needs and indeed how much was creamed off as profit.

While residents suffered horrendous abuse, rather than the care that it was being paid to deliver, Castlebeck reported to its Board and Shareholders that Winterbourne View was financially "...the best performer in the group...".

This was as quoted in the SCR which also said, "Castlebeck Ltd appears to have made decisions about profitability, including shareholder returns, over and above decisions about the effective and

humane delivery of assessment, treatment and rehabilitation."

The SCR report is also scathing about the outmoded model of care which was enshrined at the outset in the way Winterbourne View was set up. It stated that its development was a result of "...business opportunism..." which simply saw a gap in the market.

Privatisation of health and social care enables companies which are secretive in their operations to create services in line with their business models, rather than promoting best practice in the care and support of the most vulnerable people in society.

The South Gloucestershire Safeguarding Adults Board SCR is a case study in how these imperatives led to institutionalised abuse at Winterbourne View.

To maximise profits there has to be a downward pressure on quality, resulting in a race to the bottom as companies compete in the market. Private health and social care will mean poorer standards for all of us and for some much worse.

FOOTNOTES

1. Why Equity Firms Like Bain Really Are the Worst of Capitalism, Josh Kosman www.rollingstone.com Accessed 12/9/12.
2. *ibid.*
3. The Role of Private Equity in UK Health and Care Services, Laing Buisson July 2012.
4. Winterbourne View Hospital: A Serious Case Review, Margaret Flynn, South Gloucestershire Safeguarding Adults Board 2012.
5. Laing Buisson July 2012.
6. CQC Review of Castlebeck Group Services, Care Quality Commission 2011.

Real legacy of the London Olympics

In 2005, London won the bid for the 2012 summer Olympic Games, according to the International Olympic Committee, because of four main themes.

By **PAT TURNBULL**

These themes were:

1. Delivering the experience of a lifetime for athletes;
2. Leaving a legacy for sport;
3. Benefiting the community through regeneration; and,
4. Supporting the International Olympic Committee and the Olympic movement.

Tony Blair said in a video: 'Our vision is to see millions more young people in Britain and across the world participating in sport and improving their lives as a result of that participation.'

The Olympic and Paralympic Games have cost about £11 billion. According to the House of Commons Public Accounts Committee, the private sector has only contributed two per cent of that budget.

Big Business: the real winners

Some firms have done well out of the Olympics. Balfour Beatty - accused on 28th August at the Central London Employment Tribunal of colluding in a blacklist of building workers going back at least two decades - is one of them.

Balfour Beatty built the Olympics aquatics centre and saw pre-tax profits rise 2% to £93 million in the first half of 2012.

They are also responsible for removing the temporary seating from the aquatics centre now the Games are over, and for support services and facilities management throughout the Park for the next ten years.

Coca-Cola has been an official sponsor of the Games since 1928. They, along with McDonald's, Cadbury Nature Valley and Heineken, provided the only branded products on sale at catering establishments. (see page 21)

BAE, the British arms manufacturer, has a £1.5 million technology partnership with UK Sport and has provided technology for cycling, the pentathlon and taekwondo.

Bookmakers have done well

On 7th August the Daily Telegraph reported: 'William Hill said a record £30 million will be staked across the industry during the Games while business has already doubled at betting exchange Betfair.'

Mark Maydon, commercial director at Sporting Index, said: "London 2012 levels of business, measured by number of bets we've taken, is up by a factor of nine versus Beijing."



On the other hand, local small businesses felt the pinch during the Games. Lutfur Rahman, Mayor of Tower Hamlets wrote before the Games: 'Tower Hamlets will be a unique tourist destination, with the Victoria Park BT London Live Site, and the charm and bustle of Brick Lane and Banglatown making the borough the place to be.'

The reality proved different. On 9th August the *Docklands and East London Advertiser* reported from Brick Lane, known as Curry Mile. Azmal Hussain, vice-chair of Brick Lane Restaurateurs' Association: "We were told 90,000 people would be drawn to the area by the Olympics but instead it's the worst I've ever seen." Restaurateurs had taken on

extra workers and had had to lay them off.

Restaurant Eastern Eye's Kanrul Hussain: "The Olympic Torch didn't even come down Brick Lane. We were really upset about that." Preem and Prithy assistant manager Sied Hussain said trade had dropped by 80% in the first week of the Olympics and added, "The tourists are staying in Stratford."

The Victoria Park BT Live Site, with live music and big screens to watch the Games, was far from full for most of the two weeks it was open. Maybe people were put off by the giant hoardings round the site, the security checks, and the ban on taking in your own food and drink.

Ticketing

Those who could attend Olympic events saw a very different Games from the one shown on television and in the newspapers - an international event, not one overwhelmingly focused on 'Team GB'.

The park and the venues were also very good. So it was a pity more people could not attend, and ticketing problems became a theme of the Olympics. Ticketmaster's internet site had a monopoly of ticket sales, cutting out the many people who have no access to the internet.

But even those who did had many complaints about the difficulty of getting tickets, and there were plenty of empty seats. On 29th July, not including the football stadiums, more than 12,000 seats remained empty at London 2012 venues. This was mainly blamed on agents and national Olympic committees for not returning unused seats.

But the Daily Telegraph on 30 July reported another angle: "Sources have told the Daily Telegraph that ticket agencies are holding on to up to 50,000 of the best tickets for the most popular events so they can cash in by offering them as part of last-minute hospitality packages for thousands of pounds above their face value ... In recent years a small number of multinational ticket agencies, such as the American giants CoSport and Jetset, have developed a

stranglehold on the trade in Olympic tickets worldwide.”

They are sold in hospitality packages because “tickets cannot be sold at more than face value under IOC [International Olympic Committee] rules ... some packages costing more than 10 times the face value of the ticket. So even if there are empty seats, these agencies still make a healthy profit.”

The Daily Telegraph continued, “The IOC has been aware of the problem for more than a decade.”

Competitors had the same problems as the general public. Mahesh Bhupathi, Indian tennis player, tweeted: “Been trying for six hours now to buy my wife a ticket to watch me play tomorrow. Still no luck, and the grounds here feel empty. Absurd!!!”

Irish swimmer Barry Murphy tweeted: “Hundreds of empty seats again in the Aquatic Centre. My parents would’ve given an arm and leg to get in.”

A Daily Telegraph reader suggested, “There should be the opportunity to buy good tickets cheaply on the day, as my son did in Athens.”

Fortunately, all the Olympic boroughs had made certain at least some people from the neighbourhood could go to the Games – for example, children from every school in Newham had the opportunity to attend, and Barking and Dagenham distributed 2,700 free tickets to schools.

“It is about winning”

British sports people achieved highly at the Games.

Britain won only one gold medal in Atlanta in 1996, and in 1997 lottery funding for sport began, channelled towards improving the medal tally.

The money is distributed by a quango called UK Sport, whose chief executive, Liz Nichol, says, “This is not about taking part, it is about winning.” £313 million was spent preparing British athletes for the London Olympics, £184 million of it from the lottery. Professor David Forrest, a sports economist at the University of Salford, has calculated that it takes, on average, £10 million of extra investment to increase the British Olympic medal tally by one.

Anthony Joshua won the gold medal in the boxing super-heavyweight category. On 14th August the Daily Telegraph reported: ‘A dedicated nutritionist had planned his every meal, every weight session had been carefully scheduled by a sports scientist. Even his journey from the dressing room had been planned in



Peter Wilson, Gold Medallist in the Shooting Double Trap event.

advance ... For the last three years, at the English Institute of Sport in Sheffield, 11 sports scientists have been working under performance director Rob McCracken, constructing individually-tailored plans for every fighter under their care.’

Mark Ellison, a nutritionist who also works with Manchester United, reported: “Meals for boxers were specially prepared and delivered to boxers day in, day out.”

Ian Gott, strength and conditioning coach, added: “Over the last two years we’ve reduced injuries to their hands by about 15 per cent...”

‘Performance analysts Catherine Stewart and Rob Gibson created a library of 13,000 clips on every possible opponent at every tournament ...’

Coaches were recruited from all over the world. Juergen Groebler, head of men’s rowing, had already come to Britain when there was no longer a German Democratic Republic for him to coach in.

Australian coaches were recruited after the 2000 Sydney Olympics. Paul Thompson, born in Canberra, steered the British women’s lightweight crews to three golds. Shane Sutton, a native of New South Wales, is the mentor of gold medal cyclist Bradley Wiggins. Tim Kerrison is also crucial to the British cycling team. American Dan Pfaff coaches athletics gold medallists Greg Rutherford and Jamie Peacock.

But money is not the answer to everything. Athletics received £25,148,000 in funding. The medal target was 5 to 8, and the team won 4 gold, 1 silver and 1 bronze, so technically they achieved it. But Dutchman Charles van Commenee had promised more and he has resigned as head coach of UK athletics. Swimming received £25,144,600. Their target was 5 to 7 medals and they achieved 1 silver and 2 bronze. Head coach Dennis Pursley has returned to the United States.

Sports people have their funding cut off if they are deemed to be under-per-

forming. This risks cutting off sporting talent.

At the London Olympics Peter Wilson (pictured) won the gold medal in shooting in the men’s double trap. After a run of poor performance, he had lost his elite performers’ lottery funding when he met Sheikh Ahmed Makhtoum, son of the ruler of Dubai, at the Beijing Games. The Sheikh had won gold at the 2004 Olympics for United Arab Emirates. Wilson approached the Sheikh and asked him if he would help him become the Olympic champion.

The Sheikh says: “The good thing about Peter, he listens to everything you tell him. We had to change everything about the way he shot: his position from head to toe, his stance, his grip, his gun adjustment, gun model. Everything.” He did not ask for any payment for his coaching.

This provokes the question: was Peter Wilson or his coaching to blame for his previous poor performance? And the thought: not every sportsman is lucky enough to be able to recruit a rich sheikh as his coach, or to be able to survive without lottery funding.

Access to facilities

Elite funding is not the only factor in sports people’s success. There has to be access to the facilities where training is available – for example, the Velodrome in Manchester that is the centre of the British cycling programme.

And many families have had to make sacrifices for their children’s sporting career. Laura Trott, cycling gold medalist, whose father is an accountant says, “My dad had to stop his cricket ... He would work all week, and Saturday and Sunday he would play matches with his friends down at Cheshunt Cricket Club. I was nine, but he had to start taking me to weekend track meetings up north, down south, everywhere. He couldn’t juggle both, so he quit. Bless him.” Even then, if Laura’s father hadn’t had the car and the money to drive her about, he couldn’t have done it.

Abbie Craig is a promising gymnast who attends the gymnastics centre at Dingle, Liverpool. She is aiming for the 2016 Games. Her mother has given up full-time work to ferry her 14 miles from the family home in Southport to Dingle. Abbie is helped by £2,000 of lottery money a year and is trying to find sponsorship to help with training and travel, because the family are finding it a struggle.

Sometimes it is sheer luck that an ath-



lete has found the right coach or teacher to help them develop. Vinnie and Alison Ennis, parents of heptathlon gold medalist Jessica Ennis, took their 10-year-old daughter along to a taster day at the Don Valley Sports Stadium in their home town of Sheffield during the 1996 school summer holidays. She met Toni Minichiello, the coach who has helped her become a world class sports woman, and won her first prize - a pair of trainers.

Mo Farah, double gold medallist in the 10,000 and 5,000 metre races, was born in Somalia and came to live in London when he was eight. He was talent spotted by his PE teacher, Alan Watkinson, at Feltham Community School. He used to drive Mo Farah to athletics championships. Alan Watkinson believes that investment is needed in PE teachers like him, who can spot, develop and nurture talent.

Funding will be available for elite sports up to the 2016 Games in Rio, with the proviso, in the words of Liz Nicholl, that they can 'medal'. But what of the sporting legacy for the rest of the British population?

Sporting Legacy?

Britain was third in the Olympic medal table. But it is only 18th in the world league of physically active nations.

Some 37% of Britain's Olympic medallists attended fee-paying schools, even though the sector educates just 7% of the population. At these schools there

are excellent sporting facilities and highly qualified coaches. Independent schools are particularly well represented in rowing, sailing and equestrian sports. David Cameron went to a school with an Olympic rowing lake in the grounds.

In 2010 Michael Gove, Cameron's education minister, cut £162 million of ring-fenced funding for a scheme which connected state schools to sports centres and professional coaches, and dropped Labour's 'aspirational target' that all schools offer two hours of high-quality PE a week.

With the support of the School Sport Partnerships, the proportion of schoolchildren engaged in two hours or more of sport each week had risen from 25 per cent in 2002 to over 90 per cent in 2010. After a campaign led by Olympic athletes, the government partially retreated, but the money runs out at the end of the next academic year.

From next year the government will stop collecting data on participation in sport.

Selling-off Playing Fields

The government has declared its support for competitive sport, but continues to sell off school playing fields. Roughly 10,000 playing fields were sold off between 1979 and 1997 under the Conservatives.

Under Labour, between 1997 and 2010, 226 were sold - bad enough. From May 18, 2010 to July 22, 2012, there were 35 applications to sell - 30

were approved by ministers, 2 rejected, one withdrawn and 2 are still outstanding.

There are some ironies here. Newquay Treheras Academy, which has been given permission to sell, hosted the Olympic flame during its tour. Elliott School in south-west London is the school that was attended by British Olympic women's football player Fara Williams. Wandsworth Council approved the sale of land there. Plans were approved by ministers despite rejection from the School Playing Field Advisory Panel.

Ministers are also scrapping a legal requirement stipulating how much outside space each school must provide for its pupils, and replacing it with non-binding guidance.

Sports are being affected by rising charges. Bracknell council's major cross-country relay event, with more than 500 participants aged 8 to 11, takes place in Windsor Forest, part of the Crown Estate.

Organisers have just been told that although this area is to remain free for casual runners, a fee of almost £2 per head is to be introduced for all organised sporting events. An extra £1000 is a lot for the council and participating schools to find from their diminishing budgets, so the danger is that this event will have to be cancelled.

Even country walking is becoming harder. Benedict Southworth, chief executive of Ramblers, the walking charity

says: “The Olympics has been wonderful for inspiring people to get energised about sport but in order to create a lasting legacy of increased physical activity there need to be facilities in place which people can access easily.”

There are 140,000 miles of public rights of way in England and Wales, but in some areas up to one-third of paths and bridle ways are inaccessible, according to a government-commissioned report by the Sport and Recreation Alliance. Ramblers said council cuts had left fewer staff available to coordinate local work.

Steve Redgrave’s concerns

Steve Redgrave, rowing gold medallist at four Olympic Games, raised some points in an article for the Daily Telegraph: “I believe that the Prime Minister, in placing competitive sport at the heart of London’s Olympic legacy, has the emphasis slightly wrong ... the encouragement of young people towards sport has to be done in the right way.

“Sport should not be portrayed to them just in terms of winners and losers. ... It concerns me, too that by over-stressing the competitive side, we might be scaring off people who struggle with co-ordinated skills ... people are capable of far more than they believe, ... everybody can achieve a personal best.

“This is the ethos we should impart to children committed to sport...are there going to be enough coaches to meet the interest? At rowing clubs, there are so many people on waiting lists. Being inspired by what you have seen in London and then ending up on a waiting list is not a great start in anybody’s sporting life.”

So there are question marks about the legacy for sport. What about ‘benefiting the community through regeneration’?

Regeneration?

Daniel Moylan, chairman of the London Legacy Development Corporation, the organisation that has taken control of the park after the Paralympics, is a Conservative councillor.

The long-term plan for the Olympic Park area includes 2,818 new homes in the Olympic Village, and a further five new neighbourhoods – 8,000 new homes – with Phase Five due for completion in 2031.

Moylan says: “Some of it will be affordable housing, but there will also be private housing. I don’t feel apologetic because there will be private housing. One of the problems for people in this area is that if they do well, they have to move out ... This is about giving opportunities for people who do well here so

they can stay here.”

Moylan wants private rented housing funded by institutions like overseas pension funds to be “part of the mix” on the Olympic park. He would like to “attract investment funds that will build a big estate, manage it and it is purely private rented” as in the USA.

Bearing in mind that even ‘affordable’ housing is rarely actually affordable to most people in London, it does not look as if many local people will be in these homes, even supposing they are all built.

Jobs?

The legacy for jobs looks similarly doubtful. The land where the Olympic Park was built was not, as often described, a wasteland, but the site of factories, workshops and other businesses, as well as some homes. It was not pretty, but people worked there. 200 plus buildings were demolished on the site, some empty but others still in use.

5000 jobs were moved out of where the Olympic Park now lies. They were all moved from the immediate locality, 1200 of them out of the four East End Olympic boroughs altogether.

The area had a long industrial history, from the seventeenth century on. In 1869 plastic was invented in the Lea Valley. In 1892, the UK’s first petrol factory, and in 1904 William Yardley cosmetics, soap and lavender factory were on the site.

Where the International Broadcast Centre and the Basketball Arena were erected was the site of Britain’s largest sweet manufacturer, Clarnico, founded in 1872.

During the course of the twentieth century, like much of British manufacturing, it declined until it was bought out by Trebor in 1969; Trebor stopped making all its products except the most famous. The factory, no longer in use, was knocked down five years ago for the Olympics. Today Clarnico exists as CNC, a property firm.

Figures from the Office of National Statistics based on Jobseekers’ Allowance claimants show that the number of 18- to 24-year-olds in Olympic borough Hackney out of work rose from 150 to 305 in the 12 months from July 2011, the year leading up to the Olympics, a 103 per cent rise.

Figures for the long-term unemployed aged 25 plus rose 27.9 per cent from 2,380 to 3,045 over the same period.

The Games boost created 61,000 jobs in London but many of them were temporary. Daniel Solomon, economist at the Centre for Economics and Business Research, told the Daily Telegraph, “The bulk of the jobs generated by the

Games were filled by comparatively young and low-skilled workers. Once the extra labour market demand which London 2012 generated has petered out, they will find it difficult to compete in a crowded labour market.”

The iCITY consortium says that the media centre in the Olympic Park, once scheduled for demolition after the Games, has the potential to create thousands of jobs, with 4,600 on the campus itself and another 2,000 in support industries and the local economy.

They have to meet criteria set out by the London Legacy Development Company before they are finally awarded tenancy of the site.

Jules Pipe, Mayor of Hackney, says: “My vision has always been that these buildings should be a hub for digital and creative industries, and create high-end local jobs.”

According to Hackney Today, Hackney Council’s fortnightly paper, “iCITY will host a data centre, media studios, a university, digital academy and a new business incubator to develop a technology cluster of international significance. The development will also provide a vibrant focal point for the local community, with a pedestrianised square, cafes, restaurants and bars.”

In the local paper *The Wharf*, (9.8.12), councillor in Olympic borough Newham, David Christie wrote: “Areas such as Bethnal Green, Dalston and parts of Stratford are seeing new developments and young professionals moving in who will change the mix of people, and the employment levels and incomes.

“But do we want the legacy of the Games to be a replacement of the people that live here? Or do we want it to have been a genuine shift in opportunities for people who have lived there their entire lives and those that chose to make east London their home?”

That is the question.

FOOTNOTE

Daniel Moylan, who was in charge of the London Legacy Development Corporation for four months was sacked by Boris Johnson (pictured) and replaced with himself.



Olympics, health and lots of junk food

The £11 billion spent on the Olympics and Paralympics will not produce a healthier population.

We look at the junk food industry's Games sponsorship.

The Olympics' major sponsors were junk food firms, with Coca-Cola and McDonald's the "top" Olympic sponsors and Cadbury the official "treats provider".

The progress of the Olympic torch was accompanied by a Coca-Cola bandwagon. Inside the Olympic park the world's biggest McDonald's outlet, with 200 workers serving 1200 customers an hour, sold £3 million worth of fast food throughout the Games.

Tap water was virtually impossible to obtain, forcing visitors to pay through the nose for Coke products.

A recent Children's Food Campaign's report - *The Obesity Games* - criticised the junk food sponsorship, as did the Academy of Medical Royal Colleges, which argued that it "sends out the wrong message" to children.

The Lancet also criticised 'the long-term effect of Games-associated junk food advertising on people's hearts and waistlines'. Sales of soft drinks, confectionary and crisps rose during the Games, by about 7%.

This Olympics boost for junk food consumption comes in the context of an obesity-related diabetes epidemic that threatens millions of people in Britain.

The number of people hospitalised due to diabetes has tripled since 1997, with well over 650,000 people receiving hospital treatment for it last year. 2.9 million in the UK have been diagnosed with the disease, with a further 850,000 unaware they are suffering from it.

Around half of all British adults are now overweight or obese, 60% in Wales. Children who are overweight or obese increase their risk of developing gallstones by up to 6 times. The King's Fund has recognised that it's the least well off who are most at risk.

The voluntary pledge to curb obesity made by 170 major food companies in March 2012 now has 390 signatories - but there is no regulation.

Meanwhile, junk food makers are being given grants by the Business Department to develop healthier products to cut salt and fat.

So far almost £3 million has been given, on top of the far bigger tax breaks these firms already get for research and development. Some companies have deemed this work so commercially sen-



George Osborne was booed at the Paralympics.

sitive that they have refused to release any details.

Though the Olympics may have inspired a new generation to participate in sport, the government's policies have served to make participation in sport less accessible, not more.

New lax regulations on the minimum outdoor space needed for schools make no stipulations as to the size of space required. 22 playing fields have been earmarked for sell-off under the Coalition, with many more to follow now that Labour's Building Schools for the Future renovation programme has been scrapped - schools, like Elliot School in Putney, are having to sell off playing fields to pay for refurbishments.

Michael Gove has also scrapped the

two hours a week compulsory physical activity for schoolchildren and cut funding for school sports partnerships.

Paralympics hypocrisy

The row over Atos's £100 million sponsorship of the Paralympics highlighted another area of government hypocrisy.

The new fitness for work assessments given to anyone claiming disability have the stated aim of cutting as many off benefits as possible. And it is the Paralympics sponsor Atos, under its Atos Healthcare arm, which polices the assessments, having won the £100 million a year contract.

Now, instead of claimants being assessed on their medical records, they are subjected to various tests by Atos Healthcare, like picking up a coin from the floor.

If they're deemed fit for work, they lose all or part of their benefit, and may be forced to take unlimited, unpaid work experience as part of 'work related activity'. Fines for non-compliance are being doubled.

A trial run of the scheme two years ago saw a 70% drop in full benefits granted, and a 30% drop in 'unfit for work' assessments. Over 1000 of those moved into the 'work related activity group' in that trial - that is, those who had their claims for benefit cut - were dead within a year.

Disabled activists made headline news with their protests outside the Department for Work and Pensions against the government plans. Similar protests have greeted the government's closure of 27 Remploy factories - set up after WWII to provide employment for disabled servicemen. 1700 disabled workers face the sack, prompting a week long strike against the closure of one of the factories in Chesterfield.

The booing of Osborne at the Paralympics - and Jeremy Hunt and Theresa May - shows the level of public anger over the government's double standards. Unfortunately, Boris Johnson was cheered and has emerged as the clear political winner from the Games, and may eventually use it as his launch pad for the Tory leadership.

Capitalist values: two 18th century sceptics

In 2020, eight more precarious years into the future, Australians will mark the 250th anniversary of what many, though not all, regard as their nation's 'foundational moment'.

By **BRIAN DURRANS**

This was when, on Sunday 29 April 1770, a small party of Englishmen first set foot on the shore of what is now Botany Bay.

Leading the group was professional navigator James Cook⁽¹⁾, who captained The Endeavour on commission from the Admiralty. Among those accompanying him was expedition botanist and 'society man' Joseph Banks⁽²⁾ who paid his own way.

Both men kept journals. From then till they left the eastern seaboard of Australia in late August, they discussed and recorded their observations and experiences ashore.

Eventually, once clear of the coast, each man set down his reflections and interpretations of what he and his colleagues had witnessed of Aboriginal ways of life - as any explorer or inquisitive visitor might be expected to.

They chose not only to represent the Aborigines as living in a 'state of nature' but also suggested that such a life was in some ways superior to what English society offered back home.

What makes this comparison so arresting is, first, that the Endeavour's earlier stopover in Tahiti had already given its officers, crew and scientists a taste of 'exotic Paradise' which certainly put Europe in the shade; yet Tahiti, like most of Europe at the time, was a stratified monarchy.

From the Australian Aborigines the Endeavour got neither the satisfaction of a recognisable class system nor the flattering attention and comforts that had made many on board reluctant to leave their Tahitian 'Paradise'.

Second, and perhaps more shock-

ingly, these subversive doubts about 'civilisation' were expressed by its own representatives among those assumed to lack it. This article explores these explorers' comments and the reasonable and unreasonable interpretations they have received.

Savaged by historians

Historians of European exploration have taken issue with what Cook and Banks wrote, stressing their deficient knowledge of Aboriginal culture.



Left: JOSEPH BANKS (1743-1820) by Sir Joshua Reynolds, 1773 (National Portrait Gallery, London).



Right: JAMES COOK (1728-1779) by Henry Hodges, c.1775 (National Maritime Museum, Greenwich)

Later studies, including insights from Aboriginal Australians themselves, have established beyond doubt that those who encountered the Endeavour would have had a profound and intricate knowledge of the natural world, extensive networks of communication and trade across considerable distances, and sets of practices and beliefs that generations of specialists have struggled to understand.

If there ever were genuinely 'primitive

savages' from whom we are all descended⁽³⁾, the Aborigines whom Cook and Banks met in 1770 led lives at least as complicated and 'evolved' as those of the visitors themselves.

And that, according to the prevailing consensus, is all there is to be said of the matter: Cook and Banks 'got it wrong', having been misled by romantic fancy into believing that Aboriginal life in a 'state of nature' (Europeans were suspiciously fond of 'nakedness' as a supposed index of 'primitiveness') avoided the worry and competitiveness that increasingly plagued the 'civilised' Europeans of their day.

Though part of that consensus that the two Europeans had a grossly oversimplified understanding of Aboriginal ways of life, Prof. J C Beaglehole, the primary authority on Cook and editor of his logs, journals and correspondence, distrusted the apparent agreement between Cook and Banks - that (to paraphrase) Aborigines in their 'natural state' had in some ways a better life than Europeans - on the grounds that the older, practical and self-disciplined sailor must have been distracted by the 'romantic' intellectual fantasies of his younger, university-educated colleague, since for Cook to entertain such ideas was 'out of character'.

Here is how Beaglehole himself puts it: "... Cook bursts into a panegyric that almost persuades one that he had spent the voyage reading Rousseau. ... He repeats this nonsense in a letter to John Walker after he gets home ... so one must presume he was rather taken with it. ... There are simplicities still in this sailor, one perceives. Has he been listening to some oration of Banks, while the ship lay at anchor in the night; or read through some piece of paper adorned with the Banks version of the fashionable intellectual indiscretions? We return to the clear head, the hydrographer, with 'a few observations on the

Currents and the Tides upon the Coast' - five hundred words of reality and close argument, which tell us again that it is James Cook we are dealing with."⁽⁴⁾

Of this, there are only three things that can be usefully said. First, it is a bit rich to construct Cook's 'character' from his known career, his various writings and from the views of others - an inevitably partial exercise - and then use that incomplete construction to dismiss something with which you happen to disagree, but which he actually wrote, as incompatible with it (that is the meaning of Beaglehole's claim that these words of Cook's are 'out of character').

Second, when otherwise very different persons take a similar view of something, instead of one of them succumbing to the unreasonable influence of the other, it may be that the idea they share is unusually persuasive.⁽⁵⁾

Third, and most importantly, the emphasis on the obvious misinterpretation of Aborigines completely ignores the other side of the comparison - which is not what Cook and Banks 'got wrong' about Aborigines, but what they got right about later 18th century English or European society.

Who was then the Gentleman?

We can now turn to what the explorers actually wrote (savage spelling and primitive punctuation are retained in the passages reproduced below).

Banks's observations of the material dimension of Aboriginal life - based on only intermittent first-hand contact and without the benefit of a shared language - prompted reflections on Europe which seem strikingly to anticipate current concerns about catering to wants rather than needs, about environmental responsibility and about the negative social and psychological effects of possessive individualism

Banks observed: "Thus live these I had almost said happy people, content with little nay almost nothing, Far enough removed from the anxieties attending upon riches, or even the possession of what we Europeans call common necessities: anxieties intendd maybe by Providence to counterbalance the pleasure arising from the Possession of wishd for attainments, consequently increasing with increasing wealth, and in some measure keeping up the balance of happiness between the rich and the poor. From them appear how small are the real wants of human nature, which we Europeans have increasd to an excess which would certainly appear incredible to these people could they be told it. Nor shall we cease to increase them as long as Luxuries can be invented and riches



Painting of - HMS Endeavour off the coast of New Holland - (Australia) by Samuel Atkins (circa 1794).

found for the purchase of them; and how soon these Luxuries degenerate into necessities may be sufficiently evinced by the universal use of strong liquors, Tobacco, spices, Tea &c. &c. In this instance again providence seems to act the part of a leveller, doing much towards putting all ranks into an equal state of wants and consequently of real poverty: the Great and Magnificent want as much and may be more than the midling: they again in proportion more than the inferior: each rank still looking higher than his station but confining itself to a certain point above which it knows not how to wish, not knowing at least perfectly what is there enjoyd."⁽⁶⁾

There are two remarkable features in this passage. First, and understandably, the independently-wealthy Banks discusses what is most familiar to him: the consumption of luxuries rather than the production of necessities; and in doing so he underscores the salience of class and status in the Europe he knew.

Second, and more importantly, he identifies one of the key characteristics of capitalist economics: that although everyone has essentially the same needs ('the real wants [= needs] of human nature'), the production of ever more that is inessential ('so long as Luxuries can be invented') is determined by inequality of wealth ('riches found for the purchase of them').

Such an analysis seems to derive from a conjunction of novelties: that of (for Banks) Australian Aborigines and other non-Europeans encountered in the course of the voyage, and the novelty of this earlier phase of English capitalism itself, at least on the scale with which it was now coming to dominate economic life at home.

And here is what Cook himself had to say, first in his Journal during the voyage (for his sponsor, the Admiralty) and second in a later private letter to his old Whitby master: "From what I have said of the Natives of New-Holland [then the current term for Australia] they may appear to some to be the most wretched people upon Earth, but in reality they are far happier than we Europeans; being wholly unacquainted not only with the superfluous but the necessary Conveniences so much sought after in Europe, they are happy in not knowing the use of them. They live in a Tranquillity which is not disturb'd by the Inequality of Condition: The Earth and sea of their own accord furnishes them with all things necessary for life, they covet not Magnificent Houses, Household-stuff &c., they live in a warm and fine Climate and enjoy a very wholesome Air. . . . In short they seem'd to set no Value upon any thing we gave them, nor would they ever part with any thing of their own for any one article we could offer them; this in my opinion argues that they think themselves provided with all the necessaries of Life and that they have no superfluities."⁽⁷⁾

In a later letter, perhaps after further reflection, the account is slightly but interestingly different: "The natives of this country are not numerous They are of a very dark brown or Chocolate Colour with lank black hair, they are under the common size and seem to be a tumerous inoffensive race of Men, they spoke a very different language to any we had met with. Men women and children go wholly naked, it is said of our first Parents that after they had eat of the forbidden fruit they saw themselves naked and were ashamed; these people are

Naked and are not ashamed; they live chiefly on Fish and wild Fowl and such other articles as the land naturally produceth, for they do not cultivate one foot of it. These people may truly be said to be in the pure state of Nature, and may appear to be the most wretched upon Earth: but in reality they are far more happier than that [sic] we Europeans, being wholly unacquainted not only with the superfluous but [?also] of the necessary Conveniences so much sought after in Europe that are happy in not knowing the use of them. They live [in a Tranquillity] which is not disturb'd by the inequality of condition, the Earth and Sea of their own accord furnishes them with all things necessary for life; they Covet not Magnificent Houses Household-stuff &c they sleep as sound in a small hovel or even in the open as the King in His Palace on a Bed of down."⁽⁸⁾

Against Beaglehole's objections to such views, it would be one thing if Cook, on reflection, or in a private letter rather than in a document he knew to be destined for the public domain, had distanced himself from the views of the supposedly more 'romantically' inclined Banks; but - to the contrary - the later, private, letter shows him not only still 'rather taken' with his earlier comparison but making it even more forcefully.

To this, Beaglehole has no answer because, unlike Cook or Banks, he is looking only towards the Pacific and not towards Europe itself.

It remains to try, if only briefly, to put these ideas into a wider historical context. One of Banks's biographers, John Gascoigne, notes that people of Cook's and Banks's generation spent their formative years in the earlier part of the 18th century before the accelerating changes later linked to the French, American and Industrial Revolutions.

At this earlier period, the 'primitive other' was an ambiguous category, connected with debates about 'luxury, novelty and commercial society' and with 'questions of acquisition, taste, property and corruption'⁽⁹⁾ - matters as central to the developing capitalism of the time as they are to it now but also of great practical interest to the fashioning of upwardly mobile lives. Towards the end of the 18th century such subjects shifted from debate to convention, but for at least The Endeavour's scientific passengers, including Banks, they retained a compelling moral urgency.

Cook scholar Nicholas Thomas relates this closing down of social criticism in (and of) Europe to a hardening of 'the primitive other' from its former use connoting a person or persons 'comparable

with ourselves' into a fixed abstract (that is, depersonalised) category or stage of social development.⁽¹⁰⁾

It seems likely that the shift from seeing Aborigines as individuals (albeit in a 'state of nature') to seeing them merely as representatives of an inevitably doomed culture was already underway during the voyage of The Endeavour, and Cook's unease about the impact that Europeans were having on the peoples of the Pacific was therefore quite appropriately expressed in contradictory ways.

Here was a man who clearly harboured reservations about his own society despite dedicating himself to an establishment project, yet since at this time such matters could be openly discussed, the contradictions were exposed yet obviously not resolved.

At one moment he shot at native people and at another tried to engage them in trade, and in between anguished about the morality and future of Europe's impact on the peoples of the Pacific.

Such are the knots capitalism ties you into, even in its earlier phases, if like Cook or Banks you're sensitive to at least some of its contradictions.

For Aboriginal Australians themselves, even if not at Cook's own hand, the eventual outcome of this encounter was catastrophic.

FOOTNOTES

1. The best available account of Cook is Nicholas Thomas, *Discoveries: the voyages of Captain Cook*. (London, Penguin, 2004).

2. On Banks, see Richard Holmes, chapter 1, 'Joseph Banks in Paradise', in his book *The Age of Wonder: how the romantic generation discovered the beauty and terror or science*. (London, Harper, 2008).

3. There are two distinctions to make in passing: first, between actual people and labels for the categories which they may be held to 'represent'; in the late 18th century, some people (not only distant exotics) were beginning to be assigned to different steps on an assumed evolutionary ladder, with those doing the classifying unsurprisingly perched at the top. These differences were assumed to be biologically inherent and were used to justify colonial plunder and exploitation. (It should be noted that later Marxist 'stages' were of a quite different kind, generalising about the chronological succession of certain kinds of means and relations of production and their consequences for other phases of social life, which had nothing to do with labelling persons themselves as 'primitive'.) The second distinction is between some ancestral individual, usually imag-

ined to be 'brutish' or 'animal-like' (whatever that might be), and groups of co-operating individuals that were almost certainly the effective units of evolution. Human society thus did not arise from isolated beings that had somehow evolved to look a bit like you or me in the shower deciding that co-operating would be a good idea; instead, human societies evolved from pre-human ones.

4. J C Beaglehole, ed., *The Journals of Captain James Cook on his Voyages of Discovery*, Vol. IV, *The Life of Captain James Cook* (London, Hakluyt Society) 1974, pp. 251-252 and fn.1. By referring to Rousseau, Beaglehole tries to suggest that Cook was a victim of the apparent myth of the Noble Savage, which Rousseau is supposed to have popularised. The reality, however, was already established in 1928 that Rousseau was not responsible for this myth and in fact argued against it (Ter Ellingson, *The Myth of the Noble Savage* [Berkeley, University of California Press, 2001]). Beaglehole's reference to Rousseau thus signifies an 'out of character' lapse in scholarship. Just as Cook's reflections here strike him as unreasonable, might not the intemperate manner in which Beaglehole tries to dismiss them (no matter how unconvincingly) suggest Cook's sceptical glance to

Europe touched a raw nerve, as if his 'hero' had let him down? If so, part of the excuse could be a desire to play down his earlier reputation for radicalism (whether or not deserved). In the strongly conservative climate of New Zealand in the early 1930s, this may initially have retarded his academic career (Tim Beaglehole, 'Beaglehole, John Cawte - Biography', *Dictionary of New Zealand Biography*, Te Ara - the Encyclopedia of New Zealand, updated 1 September 2010 [<http://www/TeAra.govt.nz/en/biographies/5b16/1>], retrieved 20 September 2012). From a wider perspective, however, the culprit is probably the more familiar domination by capitalist values of most people's mindsets and world-views, against which it is difficult, and for many impossible, to keep alive a sense that things might be (or have once been) otherwise. The very values of which Cook was suspicious returned like an Aboriginal boomerang to make his otherwise faithful biographer cast doubt on his own scepticism.

5. Thomas [2004, cited in see note 1] meets Beaglehole half way by dismissing Banks' view of Aboriginal life as expressing 'the anxieties of an aristocrat'

Continued on page 26

Scottish Labour movement exports

By **WILLIE ANDERSON**

This informative book, by a former President of the Scottish Trades Union Congress, covering the period from 1850 to the present, provides readers with a blend of biographical and tape-recorded histories.

The life experiences of a small selection of Scottish labour movement activists in their adopted country – be it Australia, Canada, New Zealand, or the USA – is told.

It is not a labour history as such. Read the end chapter, titled Conclusion, prior to commencing Chapter 1. This will assist in setting the content in context.

The stronger, more free-flowing section covers the period up to World War II. It is well-researched, fact-filled and eminently readable. A piercing light is shone on the individual pathways. Emigrating. Settling. Finding work. Letters home. Union contact and involvement. Forging wider links. Volunteering for union office.

Discrimination. Coercion. Being black-balled. State and private-hired thuggery. Picket-line violence and deaths. The wider politics. Lengthy lock-outs and strikes. Effects on health, quality of life, and family sacrifice ... Rethinking and feelings. Always stirring, and at times compelling, the narrative bristles with unexpected twists and turns. The names Murray, McKie, McLauchlan, Fisher et al, return to the mind long after closing the book.

New Zealand

In the New Zealand section, the achievements of the first (1935) Labour Government are highlighted. Previous gains, under the hammer owing to the economic climate, were maintained.

Further reforms relating to the statutory wage, arbitration and union-friendly legislation were achieved. Peter Fraser was Deputy Leader. (A note in passing: women in New Zealand were granted the vote in 1893 – a world first)

Australia

In the section on Australia, several key omissions occur. For example, the Fed-

Scotland's Radical Exports
by **Pat Kelly**
published by
The Grimsay Press
Glasgow, 2011
pp 436, price £14.95

eral and State labor parties and the unions adhered very strongly to the doctrine of White Australia.

They displayed universal hostility to Chinese and coloured immigration. This policy continued until well after World War 2. In the early Parliaments, Shetland-born William Spence, a migrant, was Labor's White Australia speaker. White Australia receives no Index mention.

The landmark 1904 Justice Higgins-led Harvester Judgement, the origin of the concept of the legal minimum wage, and the basis for all future Arbitration Court awards, similarly, receives no Index mention.

Lossiemouth-born Jack Garden deserved more coverage. For example, he led the New South Wales (NSW) Trade and Labour Council affiliation to the Red International of Labour Unions. Further, in 1923, on Garden's motion, the NSW Labour Party granted affiliation to the Communist Party of Australia (CPA). This motion was revoked in later years by a 164-100 margin.

On the religious front, the famously sectarian Cardinal Moran of Sydney (born County Carlow, Ireland, 1830) ran as a "Catholic anti-Socialist" candidate in the 1897-8 Federal Convention election.

This had a powerful voting influence on the Roman Catholic (RC) electorate, and played into the hands of the Orange Order. Moran carried access and clout. During the 1910 Federal election, he sweet-talked Labor behind the scenes in a Right direction.

On Labor being victorious he crowed: "The anti-Catholic elements were ut-

terly swept away. We may be said to form a Centre Party, not in Parliament but outside it."

Moran pioneered the strong Catholic influence which still remains in the NSW Labor Party. He deserves an Index mention.

USA

The USA segment is definitely not for the faint-hearted. The raw, stark, culture of work-place class relations comes across eloquently. No room for the opaque mists of idealism. Many heroic Scots involved.

The name Bill McKie will be remembered. Carlisle-born McKie, a founder member of the Communist Party of Great Britain, and Chair of the Edinburgh 1926 General Strike Committee, threw himself into trade union work soon after arriving in Detroit.

He eventually became President of United Auto Workers (UAW) Local 600 at the Ford Rouge plant – the largest integrated complex in the world, employing over 100,000 workers. At the butt-end of Reuther's red-baiting, he eventually relinquished this position in order to maintain his CPUSA membership. This section reads like a novel.

The "Catholic" card is employed in the USA as in Australia. Some Scots gained and were promoted in the union, others lost out, finding themselves at the sharp end of the broomstick.

Roosevelt's 1935 National Labor Relations Act was worth an Index mention. Double-edged – enshrining the right to unionise, and, simultaneously, making unions organise and bargain firm by firm rather than on an overall industry level. An ominous sign of things to come.

The post-World War II period

Analysing this period is more challenging. The history has not yet been written. There are difficulties in judging contemporary events and there are dangers in generalising.

Again, a batch of illuminating biographical information is provided. At times, the bigger political arena tends to be subsumed within the density of personal, individual, life histories. The wood for the

trees. Not always wrong. However, to carry this off, a fair peppering of irony and wit, acting as a 'cement', can be very useful. The wider narrative sags slightly. The reader is not engaged as successfully as during the earlier period.

Taped Interviews

A particular skill is required here. The format used had hardly any present tense content. This meant that the edited version gave answers.

The reader, however, had to judge what the questions were. As a result the "unpicking of the stitches" of the interviews was not highly successful. Not enough space given to "talk", hence, at times, the "voice" was absent. The biographical tended to transcend the autobiographical.

The Canadian section may possibly have been enhanced. Harry Hind and Harry Greenwood were both members of United Steelworkers of America (USWA) Local1005 in Hamilton, Ontario. Hind climbed the union ladder.

The articulate and knowledgeable autodidact, Harry Greenwood, remained a left "rank and filer". The Hind interview certainly did not fire the imagination.

Had Greenwood been approached, and been willing to talk, this may have improved the section. An insight into the union internal dynamics within the constantly shifting centre-left context may have emerged. And a rank and file voice, to boot.

Summary

The strength of this book is that the narrative holds. Even though, in my view, it falls short of reaching its goal at times, it succeeds in ploughing a new furrow.

As a friend said, "It's a welcome break from the usual Burns, Bruce and David Hume type of book." The Conclusion could have been enlarged - strangely short considering the book's length. And, in the end, offering no suggestions about how to possibly halt and reverse the present declines in union membership.

Despite that caveat, the book deserves a wide readership. Students of Scottish history, trade unionists young and old, labour historians, and the general reader, will all find engaging material in the book. Please read it.

Appendix

The following necessary corrections are suggested for a second edition of the book:

- Chris Wallace was never Parliamentary leader of the Australian Labor Party.
- Andrew Fisher died in 1928.
- Paul Keating led the ALP in the 1996 election.
- A Socialist Unity Party of Australia did not exist.
- The Index Reference to James Galloway should be clearer.
- Harry Greenwood originally came from Glasgow.
- In the Index a reference which should be attributed to Theodore Roosevelt is credited to F.D. Roosevelt.

Capitalist values: two 18th century sceptics

Footnotes continued from page 24

yet arguing that Cook's view, rather than showing some 'out of character' influence of the younger Banks, was the more thoughtful of the two and attempted to explain, in terms of needs limited by local climate, why his efforts to engage Aborigines in trade were unsuccessful.

Although Thomas doesn't mention it in this context, the issue of trade and how its difficulty is explained highlights an ambiguity around this time between thinking of persons and thinking of categories. Categorical thinking grew later to dominate (and excuse) colonialism, but here is Cook at the threshold of the colonial era finding logical reasons why Aborigines were (as he thought) uninterested in trading; he doesn't slot them automatically into a 'non-trading'

pigeonhole which he must have known was a manoeuvre favoured by others who were keen to use an apparent absence of trade along with (negative) evidence for a lack of agriculture, as a pretext for stealing their land. Moreover - and here Thomas' perspective is very relevant to the one advanced in this article - Cook's own background was among Whitby traders who 'would have disapproved of the opulence of London's dissipated aristocracy' (Thomas, 2004, p. 129); although Thomas is unnecessarily grudging towards Banks's negative views of his own class's opulence, for, however 'philosophical' their expression, such views are surely even more significant for coming from someone of Banks's pedigree.

6. Joseph Banks, *The Endeavour Journal of Joseph Banks, 1768-1771*, Vol. 2, 'Some account of that part of New Holland now called New South Wales',

p130 [original spelling, punctuation etc. retained].

7. James Cook, entry for 23 August 1770, in J C Beaglehole, ed., *The Journals of Captain James Cook on his Voyages of Discovery*. Vol. I, *The Voyage of The Endeavour 1768-1771* (Cambridge, Hakluyt Society), 1955, p. 399.

8. James Cook, letter to John Walker (of Whitby, but addressed to him in London), 13 September 1771, in J C Beaglehole, op cit., pp. 508-509. This was the master to whom Cook had been apprenticed (Thomas 2004, p.129)

9. John Gascoigne, *Joseph Banks and the English Enlightenment: useful knowledge and polite culture*. (Cambridge, Cambridge University Press, 1994).

10. Nicholas Thomas, 'Licensed curiosity: Cook's Pacific voyages', in John Elsner and Roger Cardinal, eds., *The Cultures of Collecting*. (London, Reaktion Books, 1994), p. 122..

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No one was immune in Blake's *London*

In Blake's poem on England's capital city, no one was immune. Written in 1792, *London* is a devastating portrait of a society in which all souls and bodies were trapped, exploited and infected.

By **SIMON KORNER**

London

*I wander thro' each charter'd street,
Near where the charter'd Thames does
flow,
And mark in every face I meet
Marks of weakness, marks of woe.*

*In every cry of every Man,
In every Infants cry of fear,
In every voice, in every ban,
The mind-forg'd manacles I hear.*

*How the Chimney-sweeper's cry
Every blackning Church appalls;
And the hapless Soldiers sigh
Runs in blood down Palace walls.*

*But most thro' midnight streets I hear
How the youthful Harlots curse
Blasts the new-born Infants tear
And blights with plagues the Marriage
hearse.*

These sixteen lines do far more than describe the city in which William Blake lived for most of his life. The poem is a devastating and concise political analysis, delivered with passionate anger, revealing the complex connections between patterns of ownership and the ruling ideology, the way all human relations are inescapably bound together within a single destructive society.

1792, the year in which Blake wrote *London*, was a turbulent one, according to Peter Ackroyd in his biography of Blake. In Paris revolutionary mobs invaded the Tuileries, suspending the rule of the king – Blake wore a bonnet rouge to align himself with the revolution across the Channel.

To stop the spread of revolution to Britain, a Royal Proclamation outlawed seditious writings and troops were garrisoned round the capital, a necessary precaution given the fact that serious rioting had erupted in London only 12

years before, culminating in the burning of Newgate prison and the freeing of all the inmates.

In November 1792, the “Marseillaise” was sung at a dinner of the Revolution Society. The same year saw the establishment of the radical London Corresponding Society.

The poem's opening shows the narrator wandering the “charter'd” streets of London down to the “charter'd Thames”. This loaded word – changed from the first draft's politically empty “dirty” – is used in a critical sense, and Blake's contemporary readers would no doubt have picked up on it.

Thomas Paine had stated in his best-selling *Rights of Man* the year before: “It is a perversion of terms to say, that a charter gives rights.

It operates by a contrary effect, that of taking rights away.” Likewise, even Edmund Burke, generally a defender of the positive aspects of charters, had scrutinised the word critically in *Chartered Rights* (1784): “Magna Charta is a Charter to restrain power, and to destroy monopoly: the East India Charter is a Charter to establish monopoly, and to create power,” (quoted in Professor Heather Glen's excellent critical book *Vision and Disenchantment*).

The use of this loaded word – repeated to sharpen the ironic point that the streets, the very river itself, are privately owned – suggests the oppressive nature of early capitalism, in which the Whig alliance of merchants, rising finance capitalists and some of the most powerful landed aristocrats who did not need to lean on the crown for power, were busy accumulating capital via taxation and the establishment of a national debt, thus transferring wealth from the majority to the minority.

As the narrator wanders, he marks, notices, the suffering population:

“Marks of weakness, marks of woe”. The repetition of “marks” is emphatic; Londoners are, as it were, branded with visible signs of sickness and misery, from pockmarks to Gin Lane inebriation.

There is, perhaps, a biblical sense at work here, as in the mark of the Beast from Revelations, or the mark of Cain, the murderous “builder of the first city”.

The subtle shift from “mark” used as a verb in line 3 to a noun in line 4 binds the narrator to those he sees, showing he's not a disinterested observer but one of the sufferers himself.

In the second verse, this commonality of suffering is hammered home by the pounding rhythm, stressing the word “every” five times:

*In every cry of every Man,
In every Infants cry of fear,
In every voice, in every ban,
The mind-forg'd manacles I hear.*

No-one is immune. This is a picture of a whole society in chains, and the tightness of the poem's structure – especially in the formal second verse – emphasises this feeling of entrapment. The move from visual to aural description makes turning away, escape, impossible – ears cannot be shut.

The cumulative effect of this verse enacts the narrator's helplessness. The “I” figure doesn't appear till the very end of the verse, as if he has been overwhelmed by the sounds of human torment.

The sense of imprisonment is made absolutely plain in the phrase “mind-forg'd manacles” – literally, metal restraining cuffs, devised by the mind of man to subjugate people by physical force, such as the prisoners languishing in Newgate; but also, metaphorically, mental chains imprisoning through ideological acceptance of the status quo.

After the dirge of passivity in: “In every cry of every Man/In every Infants cry of fear”, we are jolted by the phrase into a sudden moment of analysis, of understanding.

The tone of anger and condemnation rises, and in the third verse, the long list of accusatory examples has an unstopp-

pable momentum. The verse begins, as if in mid-sentence:

*How the Chimney-sweeper's cry
Every black'ning Church appalls;
And the hapless Soldier's sigh
Runs in blood down Palace walls.*

From now on in this cinematic poem, we lose sight of the narrator altogether as he becomes subsumed within his furious indictment, leaving the general mise-en-scene to zoom in on three specific social types – the chimney sweep, the soldier and the harlot – all emblematic figures, a point made clear by the use of capitals, used also for the representative institutions.

The boy sweep was a well-known figure of pity in Blake's time. In lines 9 and 10, the sweep blackens the church by literally making the churches sooty but also in the sense that the church's reputation is increasingly tarnished by its whitewashing of the brutal, smoke-belching commercial system which exploits child-labour.

But the sweep was also a subversive figure, as Heather Glen points out; the seasonal nature of sweeps' work and the fact that they roamed the streets drumming up trade meant they often turned to crime and begging. Sweeps were widely regarded as a lawless element.

In 1771, for instance, during one of the Wilkes riots, a chimney sweep decapitated effigies of various bigwigs at a mock execution at Tower Hill. The word "appalls" here means indicts rather than the modern usage of disgusts. The church is not appalled in a compassionate way, but is fearful of the menace the sweeps represent.

The soldier whose sigh "Runs in blood down Palace walls" is a "hapless" victim, in spite of the fact that he is part of the armed state. A soldier's lot in 1792 was terrible, with violent discipline and punishment.

That summer, the *Times* reported great suffering among English soldiers who had been sent on manoeuvres. The soldier sighing in death or fear metaphorically stains the palace walls with his blood just as the sweep's cry blackens the churches.

Perhaps the soldier's discontented "sigh" takes the tangible form of red-painted protest slogans on palace walls. The revolutionary phrase "No King!" and other seditious slogans had indeed been daubed on the wall of the Privy Garden.



1807 Portrait of William Blake
by Thomas Phillips (1770-1845)

The final verse, which Blake only added in a later revision, reveals how the system, constructed on the savage institutions of power – the law, church, monarchy and army – poisons personal relationships at the deepest level.

This is the culmination of the narrator's apocalyptic description:

*But most thro' midnight streets I hear
How the youthful Harlot's curse
Blasts the new-born Infant's tear
And blights with plagues the Marriage
hearse.*

It is no longer daytime, but midnight. The harlot is a young victim, like the boy sweep. She has been robbed of the chance to love her baby, because it is the result of commerce, not love, and because its existence only brings her increased penury.

She passes her own misery onto her child, and that child, like her, will pass its misery onto further generations. She also passes on the pox to the bourgeois husbands who frequent her and then take their infection back to their wives. Her curse, like the sweep's cry and the soldier's sigh, has actual effects.

Like "mind-forg'd manacles", "Marriage hearse" is a fantastically potent phrase, reverberating with meanings: the

two words are linked oxymoronically, with the notion of joyous, fruitful marriage undermined by its grim apotheosis, death by venereal disease.

The phrase also fillets bourgeois marriage in all its hypocrisy, the husband routinely unfaithful to his wife, and suggests the sterile death-in-life of the wedded state, which contemporary feminist Mary Wolstencraft called legalised prostitution. Marriage has become the funeral of love, the death of freedom.

By striking at the family, the poem attacks the reproductive system of society itself. The harlot's curse does more than make the baby cry; it destroys bourgeois complacency.

It's a fitting end; the poem's final line has the incantatory power of a curse in itself, with the rhyme shutting the lid on the poem once the build-up of hard alliterative sounds (black'ning, blood, Blasts, blights and plagues) has reached its crescendo.

London begins with the economic system, couched in that abstract, legalistic word "charter'd", protected by its laws ("bans"), and move to its consequences – the selling of bodies and souls within a sealed system of commercial exploitation.

Yet, though the poem describes claustrophobic trappedness, paradoxically it doesn't feel defeatist. This is an anti-vision poem, but it implies that a vision is needed, and this lifts it out of despair. Its rising anger, reaching its height in the Shakespearean last line, is like a battle cry, or at least the precursor to one.

It doesn't just catalogue the woes, but by ordering the encounters, reveals their cause and their inter-connection. It shows the power of articulation both in the victims' utterances – the sweep, soldier and harlot mark the city, by black'ning, splashing their "blood", infecting – and in its own rhetorical eloquence.

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