

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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Few tears will be shed by socialists and progressives around the world over the firestorm that has engulfed the Australian-born, Rupert Murdoch (pictured) and his global communications empire, the US-based News Corporation. The very existence of Murdoch's empire is under threat following the *News of the World* telephone hacking scandal.

In times of crisis and desperation, the political ringmasters of capitalism have been known to unleash upon the working people of the world a political beast capable of destroying a people's desire for peace and socialism or anything similar.

Fascism was one such beast, unleashed in the 1920s to save Germany from post-WW1 collapse and advancing socialism. Unleashed and unchecked it tried to devour everything that stood in its way.

Back in 1979 Britain's new capitalist political ringmaster, Margaret Thatcher had a much smaller crisis with which to deal: Britain's wage-militant working class and trade unionists who didn't read the Tory Telegraph and the Times or the Liberal Observer.

For more than a generation now, Murdoch's media and news empire has waged war on progressive and socialist ideas, values and those who promoted them.

His UK flagship is the *Sun* newspaper. Formerly the Labour supporting Daily Herald, Murdoch bought the *Sun* in 1969 and turned it into the reactionary tabloid it is today. Its target audience is Britain's working class. It serves up a daily diet of fact-less, sensational, right-wing biased, news, sexism, racism and xenophobia which reached its offensive nadir during the sinking of the Argentine warship, the *Belgrano* with the loss of 323 lives. (See graphic).

It became the biggest selling daily newspaper in the UK and seduced many alleged socialist politicians to write for it. And while it was leading the assault on working people's senses, ideas and values, it was also assaulting their working conditions. Immediately after Margaret Thatcher

Murdoch's capitalist rivals and enemies go in for the kill

won her fight with Britain's miners Murdoch opened his UK printing headquarters at Wapping in east London. When Thatcher gave him the nod, he went to war with Britain's print unions. In the space of two years Thatcher and Murdoch had undone a century of trade unionism in two of Britain's strategically important industries.

Over 30 years he has succeeded in numbing billions of working class people's minds against alternatives to capitalism. A job well done.

But once unleashed and unchecked, the Murdoch beast grew to become a giant. Today it's global revenue is



close to \$40 billion a year. Fortress Wapping is the UK and European headquarters of Murdoch's worldwide empire. News Corp is truly global and every bit as upmarket as it is down.

Anything to do with the written and spoken word and the ideas they convey, this is the currency and the power of the Murdoch empire.

Capitalist ideas and profits are Murdoch's business and his empire's reach is as extensive as the ideas it purveys. From its headquarters in the USA, and its strongholds in Australia, Canada, the UK, New Zealand, India and China, Murdoch's empire pours its poison into every continent.

Until now capitalist politicians have been eager to help him protect and advance his empire's interests. By 1997, to show how successfully he had

quelled the militancy of Britain's working class, he could safely back the leader of Britain's party of the working class, Tony Blair.

Capitalist politicians have needed Murdoch and his Fox News, his BSkyB, his Harper Collins book publishers, his *Wall Street Journal*, his *Times*, his *News of the World* and of course his beloved *Sun*.

With a phone call to one of his editors Murdoch knows he can make or break a politician. He knows, through his private investigators - some of whom call themselves journalists - their needs and especially their vulnerabilities. Politicians feared his power so much that over the past 30 years British Prime Ministers have merely asked, "How High, Rupert?" when he asked them to jump. The Murdoch beast was now capable of devouring the very ringmasters who let him loose. Not the job he was unleashed to do.

His 100% takeover of BSkyB was to have been his latest political triumph with his latest political cat's-paw, UK Conservative Prime Minister, David Cameron.

If Murdoch's UK media monopoly was already a serious cause for concern among his British capitalist media rivals, outright ownership of BSkyB caused their alarm bells to ring. The Murdoch beast had to be caged. Murdoch's *News of the World* and its long established routine practice, on an industrial scale, of hacking into people's phones is the means to this end.

Most importantly, Murdoch's powerful capitalist enemies are not just here in Britain. They go right up to the White House and US Democrats are circling the wounded beast hoping they can go in for the kill and destroy his power.

In Britain, as the torch is shone on the dark, murky and corrupt world of the Murdoch press and its relations with politicians and police, our capitalist political ringmasters are certain to take care to keep the biggest and brightest torches away from the rest of the corrupt capitalist media upon which they rely.

Protest has slowed down the Coalition

“One year on, David Cameron commands the field” trumpeted the headline of the Daily Telegraph’s editorial on May 10th 2011, celebrating the first anniversary of the neo-Thatcherite Coalition.

NOAH TUCKER reports on the Coalition’s progress and how mass resistance is slowing down its programme.

Specifically on the voting about voting, which took place five days earlier, the Telegraph enthused on Cameron’s role in securing the No result: “Last week’s AV referendum has proved a pivotal moment. The Prime Minister’s personal intervention raised the No campaign from its deathbed and turned the vote into a personal humiliation for Mr Clegg. That has decisively shifted the power balance within the Coalition, where – in the view of many Tories – the Lib Dem tail has too often wagged the Conservative dog.”

At least as important for the outcome of the referendum was the lack of decisive intervention by the leader of the Labour Party. As the right-wing media constantly gloats, Ed Miliband is a weak leader and, as occurs now and again, including in this case with the Labour Party, the only good leader is a weak leader.

In the context of the lack of strong direction, most Labour MPs ignored their leader’s advice and opposed the adoption of the Alternative Voting system. The level of turnout, geographical distribution and overwhelming size of the No vote indicates that a clear majority of Labour supporters rejected AV.

These voters, like the anti-AV Labour MPs, were not mobilised by David Cameron. The instincts of most

Labour voters on Alternative Voting were well grounded. The effect of adopting AV would have doubly benefited the Tories’ irreplaceable prop, the Liberal Democrats; both electorally, at the expense of Labour in forthcoming general elections, and also by giving Nicholas Clegg a sop, equivalent to the thirty pieces of silver acquired by a biblical predecessor by which to justify, to his party activists and core supporters, abandoning his pledges to the electorate.

Of course, this was recognised as well by th ou -

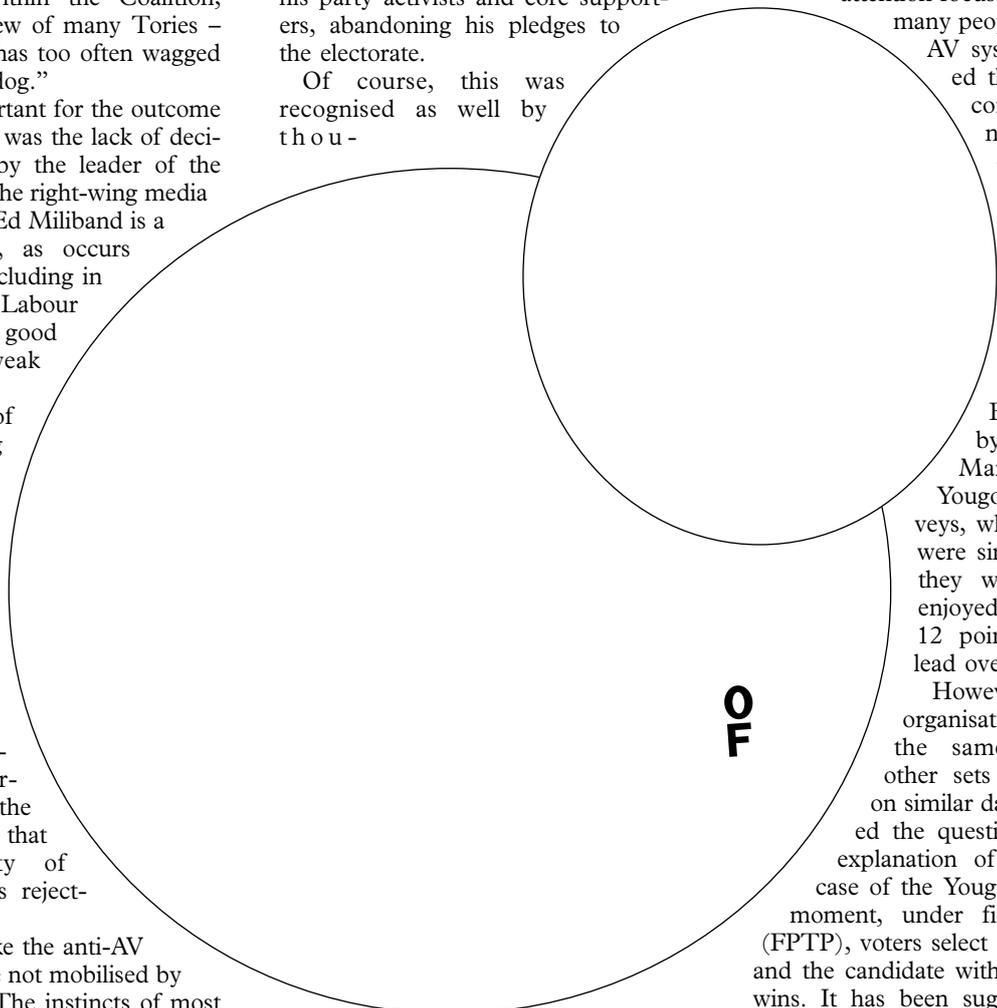
sands of people without a fixed party allegiance, some of whom, having been duped into voting for the Lib Dems (who, via the fresh and superficial persona of Nick Clegg, had promised a clean ‘new politics’) were eager to take revenge on him.

Nevertheless, it is likely that the main reason for the steep fall in support for AV, and increase in opposition to it, as the referendum campaign proceeded, was a more straightforward one. At the start of the campaign, most people liked the idea of AV because it was associated with more fairness, although a large proportion did not have any knowledge about what the Alternative Voting system actually was.

Then, as May 5th approached and attention focussed on AV itself, many people looked at the AV system and decided that it was more complicated and no fairer than the current FPTP system.

This interpretation is supported by the results of opinion polls on AV conducted in February 2011 by Populus and in March 2011 by Yougov. In these surveys, when respondents were simply asked how they would vote, Yes enjoyed, respectively, a 12 point and 5 point lead over No.

However, both polling organisations also asked the same question of other sets of respondents on similar dates, but preceded the question with a brief explanation of AV-eg, in the case of the Yougov poll: “At the moment, under first-past-the-post (FPTP), voters select ONE candidate, and the candidate with the most votes wins. It has been suggested that this



system should be replaced by the Alternative Vote (AV). Voters would RANK a number of candidates from a list. If a candidate wins more than half of the '1st' votes, a winner is declared. If not, the least popular candidates are eliminated from the contest, and their supporters' subsequent preferences counted and shared accordingly between the remaining candidates. This process continues until an outright winner is declared."

In the polling samples where the explanation was given, it was No which had a lead, respectively of 14% and 17%.

Toxic tactics

The analysis by the Daily Telegraph editors that the defeat of the Alternative Voting proposal was a positive result for the Tories was proved wrong, at least on the short term effects of the vote, within days of its publication.

Combined with the major setback suffered by the Lib Dems in the English local elections and the Scottish and Welsh elections, presaging a likely parliamentary meltdown at the next general election, the AV referendum outcome forced Nicholas Clegg, and his fellow Liberal Democrat ministers in the Coalition, to attempt to re-invent themselves as the opposition to the government from within the government.

This has had the knock-on effect of contributing to the second 'pause', and even some retreats, on the Coalition's plan for the demise of the National Health Service.

Rafael Behr, who is chief leader writer for the Observer, and before that was business correspondent for the BBC and Moscow correspondent for the Financial Times, noted in an article in the New Statesman on 9th June: "Residual fear of what the Conservatives might do to public services was a factor in Cameron's failure to secure a majority in 2010. Hooking up with the Liberal Democrats allowed him to pose as a non-tribal figure, governing across party lines, in the national interest. He was helped by Nick Clegg's initial strategy of owning the whole programme. The Lib Dem leader resisted the idea of carving up the coalition project into distinct yellow and blue portions, for fear that he would look like a bit player, begging for policy morsels at a Tory table. The Lib Dems' catastrophic results in the local and Scottish elections in May and humiliation in the campaign for voting reform forced a change of plan. Now, the goal is to seek "definition" for the party within the coalition. That, Clegg's

closest allies privately concede, amounts to a strategy of retoxifying the Tories. Then the Lib Dems might get some credit as a moderating influence."

There are three rather obvious problems with this tactic - the first, that it indicates that voting against the Lib Dems is the way to get them to supposedly 'moderate' the Tories; the second, that it illustrates the Liberals' opportunism and lack of principle; the third, that it further highlights the toxicity of Nick Clegg and the Lib Dems themselves, given their decision not only to put the Tories into power, but to vote in Parliament for all the Tory legislation, including the Health and Social Care Bill.

Protest and survive

On coming to office, Cameron's plan for structural changes to the public sector (based on the regrets of Margaret Thatcher and Tony Blair that they did not initiate drastic 'reforms' early enough during their reigns) was to start privatising and marketising on a grand scale immediately, without delay.

That way, the opponents of 'reform' could quickly be defeated and demor-

... the radical Tory programme has not been stopped, merely slowed. But slowing it is a very good thing; it proves that the government is not invulnerable, and it allows more scope for campaigning by workers, the trade unions and the public to save our public services; ...

alised, and momentum built up for an accelerated return towards the classical 19th century model of capitalism.

Though further and very significantly damaged by the AV referendum and elections on 5th May, it had already become clear that this plan was not quite working out.

The early win of passing the legislation to triple student fees was gained at the cost of mass street protests and, linked to that, the end of Lib Dem credibility; after which, in the face of public disgust and a well-organised campaign, the plan to sell off the forests was shelved.

In his New Statesman article, Rafael Behr observed: "At the Cabinet Office, Francis Maude was meant to launch a

white paper on public-sector reform in January [2011]. Much of it is written but the document has gone astray. It is now due, a spokesman says, 'some time in the summer'. The proposals were supposed to open up vast areas of the public sector to competition from private companies and charities. In February, Cameron described this as a mission to 'release the grip of state control'. Only the judiciary and national security would be exempt. By May, however, the tone had changed. Maude warned a private meeting of business leaders, eager to snaffle up the contracts for outsourced public-sector work, that they would be disappointed. According to a leaked memo, Maude told the Confederation of British Industry that 'the government was not prepared to run the political risk of fully transferring services to the private sector, with the result that [it] could be accused of being naive or allowing excess profit-making by private-sector firms'."

Leaked to the BBC on 3rd May, the relevant meeting of Francis Maude with the CBI was presumably held in April; and also in April, the government announced the first 'pause' in progressing NHS privatisation.

What had occurred between February, when Cameron promised that only the judiciary and national security would be kept in public ownership, and April 2011? Given his provenance, it is unsurprising that Behr makes no mention of it.

But the key event was the TUC demonstration on 26th March when, surpassing all expectations, 400,000 people, even according to the Daily Telegraph estimate, protested in London against cuts and privatisation.

Of course, the radical Tory programme has not been stopped, merely slowed. But slowing it is a very good thing; it proves that the government is not invulnerable, and it allows more scope for campaigning by workers, the trade unions and the public to save our public services; during which, in particular, the effects of earlier 'reforms' have time to become visible.

The McNulty report on the railways, and the Southern Cross care homes scandal, have proven beyond doubt the disastrous outcomes of the policies initiated by the previous Conservative administration.

Sadly, but also very usefully in terms of ammunition against this government, the initial results of the Cameron / Clegg privatisations and marketisations will become quite apparent before too long.

The Big Society: back to the future

It is very easy to ridicule the concept of The Big Society, if for no other reason than that the government itself seems unable to give a clear vision of how it would work in practice.

FRIEDA PARK looks at The Big Society's aim of demolishing the welfare state.

The media has been full of ministers and civil servants waffling about what The Big Society might mean, with the listeners and viewers left not much the wiser.

This has led some to say that the government does not know what it is doing, but that is far from the case. The Tory/LibDems know exactly what they are doing, they are just a bit coy about telling the rest of us.

The wooliness of the Big Society might even serve a purpose if commentators and politicians are diverted into debating the concept rather than focusing on what is happening in practice as the welfare state is demolished round about us.

In fact Britain does rather well relative to other countries in giving to charity and volunteering time; it came 8th out of 153 in an international survey conducted by the Charities Aid Foundation.⁽¹⁾

It could be argued that in fact the existence of the welfare state, benefits system etc. actually enables us to devote time and resources to other people as we have to focus less on our own, individual day to day survival.

Where Thatcher Feared to Tread

Of course Cameron wants his policies to sound a bit cuddlier than Thatcher's. She and her ministers were always pretty brutal about the need to kill off lame ducks, get the unemployed on their bikes, etc.

They were the cheer-leaders and architects of the neo-liberal policies which marked the first stage in the roll-back of the welfare state; policies which were continued by New Labour under Tony Blair and Gordon Brown.

But New Labour and even Thatcher only went so far down that line. The

Tory/LibDems intend to go much further. Or, as a recent article in the Economist on privatising the National Health Service was headlined, "Where Thatcher Feared to Tread."⁽²⁾ So much for cuddly.

The announced lull for reflection over the proposed reforms to the National Health Service is designed to take the heat out of the debate and is a response to the almost universal opposition that has been generated to the government's plans.

To achieve what it wanted, the Tory/LibDem government decided to go in hard early on and inflict as much pain as possible whilst it is strongest. Perhaps we have seen now why this has not always been the chosen tactic of previous governments.

To attack wide sections of the population simultaneously runs the risk of them finding common cause.

Maybe after years of acquiescence in Britain they thought that there would be no effective opposition, but the banners on the demonstration on March 26th showed that people were less inclined to be sucked into arguing that their tiny tots reading circle was more important than keeping the local swimming pool open on Sunday and more inclined to join with others to oppose the cuts.

The Tory/LibDems have never announced their intention to dismantle and privatise the welfare state either before the election or since. They have, instead chosen to hide this agenda behind the flimsy veil of The Big Society.

Cuts and Privatisation

The stated aim of the Big Society is to move state provision of services to charities and volunteers. A concept that

is not really credible given cuts in funding to charities and the complexity of the services that volunteers are supposed to take on.⁽³⁾

The real objectives, however, are cuts and privatisation, scaling back radically our entitlements to health, education, housing and other services.

Alongside that they want to erode the very idea that we have a right to such services and replace it with even more limited access and philanthropy, where the rich get to choose what gets (poorly) funded.

David Cameron's recent attack on obese people and drug addicts on Incapacity Benefit was designed to undermine the principle of universal provision, attempting to create divisions in the working class setting the deserving against the undeserving. (This issue was explored by Tom Burden in the last edition of The Socialist Correspondent.⁽⁴⁾)

David Cameron seems happy to set himself up as a moral arbiter deciding that a person with a drug problem, who may have endured a lifetime of abuse and poverty, is undeserving.

In cynically picking off easy targets he ignored the possible culpability of others for their own conditions who might happen to be better off, for example someone who breaks their neck after recklessly driving their sports car and crashing into a wall.

Be assured, however, that if the Tory/LibDems are coming for fat people and drug addicts now, then once they have destroyed universal entitlement, they will come for drivers, smokers, people who drink more than recommended amounts and those of us who do not eat our five-a-day of fruit and veg. That is to say they will be coming for the rest of us.

What is the evidence that privatisation is at the heart of The Big Society? Currently over 40% of Local Authority money goes to the private sector and the value of public services run by the private companies has doubled since 1996.

A couple of recent examples of the trend are that Suffolk Council is hand-



BACK TO THE FUTURE?
1930s Food line at the Yonge Street Mission,
381 Yonge Street, Toronto, Canada

ing a majority of its services over to the private sector. Also, in April, the Government awarded billions of pounds worth of contracts to run the Work Programme, designed to get unemployed people into work, to the private sector. Despite charities being involved in similar programmes in the past, only two out of the 40 contracts went their way.

Eric Pickles, Secretary of State for Communities and Local Government, has launched a so-called war on “barmy rules and regulations” in Local Government in England, which includes reviewing the duties on Councils to assess people for community care, consider the needs of disabled people, provide welfare services, investigate child protection concerns and keep vulnerable children in care. If these things get done at all then clearly Eric Pickles would prefer that they were not done by publicly accountable bodies.

Marketisation

In addition to direct privatisation there is also an increase in marketisation in the public sector, which has the effect of increasing the involvement of the private sector in service provision.

As public services are cut people increasingly have to purchase services they need elsewhere, like an older person needing a home help. This automatically creates a market and public

services, with their safeguards and trained and better paid staff, are being under-cut by private providers.

There are also other ways that this process is being engineered. The Personalisation of Care and the move to GP commissioning in the NHS are two such mechanisms.

Under Personalisation individuals will be given the budget which would previously have funded care services commissioned on their behalf by local authorities. In the current climate this will be minus something for cuts, which in Glasgow is amounting to up to 30%.

They must then seek out, purchase and in some cases manage the services that they need. There are ways that this might work for you if you are able and willing to plan your service and if what you need is fairly run-of-the-mill, for example booking transport to get you around.

It works less well and will often not work at all where you need a specialised and expensive service. If others cannot make money easily from it then your chances of being able to get a service diminish.

Providers will only deliver what they know they can sell and there is no guaranteed market for specialised and expensive health and care services. Individual purchasing does not work where there needs to be redistribution and planning of resource provision to meet complex social needs.

Another threat inherent in provision of services through the market is that companies might go bust, leaving very vulnerable people without a service.

This happened recently with Southern Cross, one of Britain’s biggest private care providers, with the Government now having to ensure continuing care for its 31,000 residents.

It seems mind-boggling to think what a Britain without a welfare state would look like, but if we want a model we need only look across the pond.

The USA is a country where people whose benefits have run out and for whom there is no basic welfare provision rely on charity.

They queue for soup kitchens and free clinics and use cheap veterinary medicines to treat themselves.

In California tented villages are growing up of unemployed people who have lost their homes during the recession. Welcome to the Big Society.

FOOTNOTES

1. Time and Money, *The Economist* 28/5/11.
2. Where Thatcher Feared to Tread, *The Economist* 22/1/11.
3. Charity: More Take than Give, Helen Christopher, *The Socialist Correspondent* Autumn 2010.
4. The “Deserving” and “Undeserving” Poor, Tom Burden, *The Socialist Correspondent*, Spring 2011.

Scot Nats' dream maybe a step closer

Labour leaders are conducting an inquiry into their party's calamitous result in the 5 May Scottish Parliament elections. That result made conceivable for the first time in its 77 years the Scottish National Party's dream of a separate Scottish state.

MARTIN S. GIBSON reflects on the aftermath of the Scottish Parliament General Election held in May 2011.

And while Labour tongues are raw licking their wounds, the Conservative-Liberal Coalition government at Westminster is pressing ahead with its Scotland Bill, described by the Coalition as the "biggest transfer of fiscal power to Scotland since the creation of the United Kingdom".(sic) That was in 1603! When the Bill is passed it will transfer control of some taxes and other powers from Westminster to the SNP-controlled Scottish Parliament.

The Scotland Bill closely follows the final recommendations of the Calman Commission, which was the brain-child of the former, short-lived Scottish Labour leader, the staunch devolutionist, Wendy Alexander.

May 5 was bad for all parties except the nationalists for whom it surpassed all their expectations.(see table below).

Scotland's Conservatives lost two seats and their vote of just over 250,000 and 15 seats is its lowest ever in a Scottish General Election.

But perhaps the worst result was for the Tories' UK Coalition partners, the Liberal Democrats. They now have only five seats, down from 16 in 2007, and their morale as well as their popularity is at an all time low, the consequence of their reviled Westminster Coalition with the Tories. The Liberals have been on the electoral rack for more than a year. If the SNP were to do better than their one seat majority in

2007, attracting disaffected Scottish Liberal voters was vital. It was equally vital for Labour. The results show the SNP won that particular tactical battle hands down.

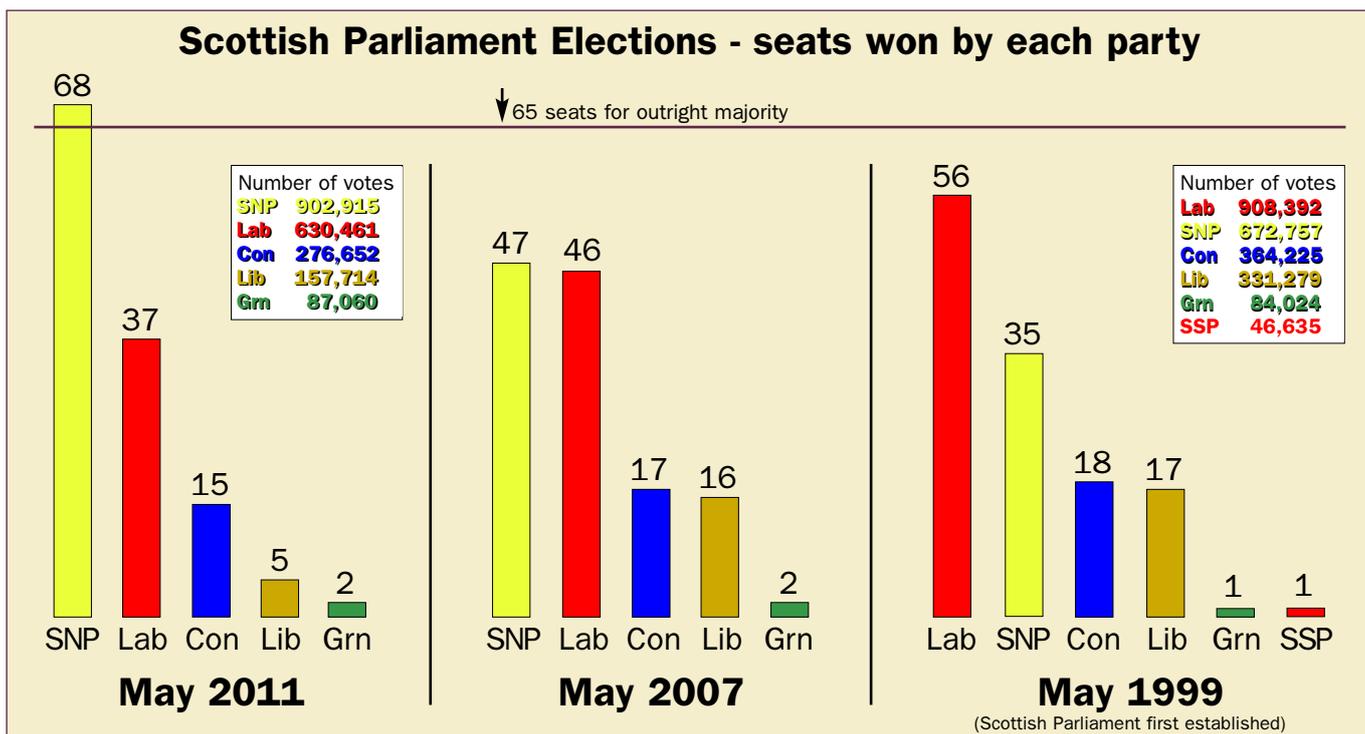
No one should be fooled into believing that Labour's victory over the SNP in the Inverclyde by-election on 30 June 2011 means Labour's Scottish electoral fortunes have been turned around in just over a month.

Labour, the party of devolution, who established the Scottish Parliament in 1999, are still in shock, trying to come to terms with the magnitude of their defeat in both the constituency votes and the regional party list votes.

They are trying to come to terms with why, in the space of 12 months, Scots voted for them to represent them in the Westminster Parliament yet rejected them overwhelmingly for the Scottish Parliament.

With every year and every election that has been held since 1999, this electoral dichotomy has come to dominate Scottish politics.

What may have started out in 1999 as collective tactical voting - when



everything was new fangled and voters sought to get their heads round proportional representation and the additional member system with one vote for constituency candidates and another one for regional party list candidates - has ended up as strategical voting.

Today Scotland's voters are sophisticated enough to realise they can have their electoral cake and eat it. The clear trend in Scotland since the foundation of the Scottish Parliament in 1999 is that a majority of voters will vote Labour for the UK Parliament and SNP for the Scottish Parliament.

This way they can boost Labour's chances against the Tories at Westminster and avoid wasting their votes on a party that only stands in Scotland. The Inverclyde result confirms that trend.

Following the Scottish Parliament election, one after another, all three of the defeated main parties' leaders announced their resignations.

For their part, the triumphant - some say rampant - SNP are trying to play down fears that their historic outright majority victory means separation from the UK is just around the corner.

SNP leader, Alex Salmond side steps the issue of an independence referendum, especially the date, except to say it will happen sometime toward the end of the Parliament's five year term, probably in about four years time. He knows that when he sets the date the questions, scrutiny and clamour around Scotland's separation from the rest of the UK will dominate Scottish and British politics.

In the wake of the *News of the World* 'phone hacking scandal, what may derail Mr Salmond's grand design is his and his party's links, not unlike David Cameron and the Conservatives, to the Murdoch press whose *Sun* newspaper infamously dropped the Labour Party in favour of the Tories in England and the SNP in Scotland.

If Mr Salmond's private polls are telling him what the public polls currently claim - that some 60% of Scots don't want separation - it is no wonder he wants to delay his biggest battle.

The referendum date is Mr Salmond's to choose and he is unlikely to squander this tactical advantage by going early. Instead, he will use the time to shift opinion and prepare the ground upon which the referendum battle will be fought. A bit like his hero, King Robert the Bruce did at Bannockburn in 1314 during Scotland's Wars of Independence against England.

The SNP shifted Scottish opinion during the last four years by being

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seen to be standing up for Scotland against Westminster.

Mr Salmond's recent excessively vehement attacks on the British Supreme Court for interfering in a Scottish criminal case is a classic example of this "standing up" for Scotland.

And the day after their landslide victory, Mr Salmond did not demand independence now, instead he called for more devolution, more powers - especially economic and fiscal ones - for the Scottish Parliament.

Specifically he has asked for the power to borrow an extra £3.4 billion - 10% of Scotland's budget - to prevent Scotland's economic recovery faltering. And as always, when he makes his transitional demands for more powers, his long term aim of Scottish statehood is never far behind.

On 24 June he said, "It is necessary to the continued recovery to have these borrowing powers. There's no government, no administration in the world that I know of - certainly not the size of the Scottish Government - that doesn't have the ability to borrow ... I don't think there's a single one on the planet." (The Herald 24.06.2011)

With extra powers and finances the SNP government can set about improving Scotland's economic prospects and making Scottish voters feel even more at ease with Mr Salmond's leftist, social democratic nationalist government in Edinburgh.

During their four years of minority government the SNP changed the name of Labour's Scottish Executive, to Scottish Government. It stopped Labour's hospital closures programme. It released the so-called Lockerbie bomber, Abdelbaset al-Megrahi. It maintained free health care for the elderly and free bus travel for all those over 60. It reduced prescription charges so that now they are free for everyone and it blocked university tuition fees.

Contrary to Labour's dire warnings of instant separation, divorce and the

breakup of the UK, voters were pleasantly surprised by the SNP's progressive policies and competent performance. What the SNP did not even try to do in the last parliament was hold a referendum on independence because their faint-hearted unionist opponents declared they would vote it down.

Mr Salmond must smile when he recalls his opponents' tactical stupidity, lack of courage and lack of trust in Scottish voters that got him off that rather nasty hook. For now he is in the best position possible. With an outright majority of three, the SNP can, if they so wish, completely ignore all their opponents.

Back in 1997, when Blair and Brown's New Labour Government was elected with a pledge to establish a Scottish Parliament, they, along with the late Donald Dewar and their erstwhile unionist allies, the Scottish Liberals, created the Additional Member system of Proportional Representation. That AM form of PR was devised to stop the SNP ever winning an outright majority. Dewar believed that such a PR system would always return a unionist - Labour, Tory and Liberal - majority.

That belief was smashed asunder on 5 May. So there will be a referendum on independence: the only question is when.

Scotland's way ahead is clear under the SNP:

- a referendum and the establishment of a separate Scottish state as soon as possible thereafter;
- remain within the European Union and retain the British monarchy.

For a party that has set its face against the half way house of devolution for most of its 77 years, devolution has been for them alone an astonishing electoral success story. This success was predicted back in the 1970s by anti-devolutionists such as the former Scottish Labour MP for West Lothian, Tam Dalyell - the author of the West Lothian question. Dalyell famously described devolution as a "motorway with no exits".

Dalyell's West Lothian Question highlights the fundamental anomaly at the heart of the UK constitution today. The question it poses is: What about devolution for England?

Dalyell revealed the inherent flaw in the devolved settlement then being proposed by Labour and others. He asked how could it be fair for Westminster Scottish MPs to have the right to vote on English housing and other devolved-to-Scotland matters, but that same right is denied to English MPs?

Rather than answer the question, Labour chose to ignore it in the hope that it would go away. Well it didn't and today it has, arguably, become one of the major issues of British politics.

When the Scottish Parliament and the Welsh Assembly were established in 1999 a new political dynamic was created throughout the whole of the UK.

It also caused a crack in the union which, after 12 years of Scottish Parliament measures - all denied to England - got bigger with every "advantage" Scotland and Wales gained over England.

More powers for the Scottish Parliament can only widen this crack. Is it any wonder that an alleged majority of the people of Berwick feel they'd be better off north of the border.

Despite 12 years of devolution, which Labour strategists claimed would "kill" independence, the divisions and recriminations between Labour devolutionists and anti-devolutionists are still as fierce as ever.

And the fundamental argument is still much the same as it was in the 1960s and '70s when there was no devolution. Today it is more devolution versus no more.

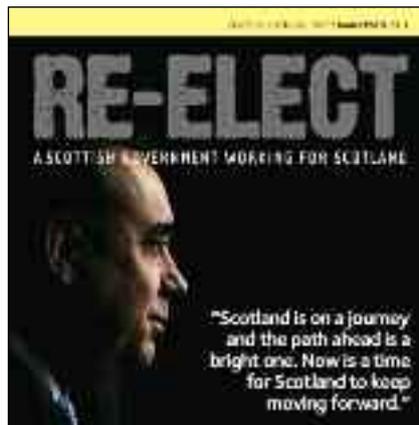
Naturally enough, although not exclusively, the UK Parliament at Westminster is where most of Labour's "no more" devolutionists hang out. The Scottish Parliament in Holyrood, Edinburgh is where most of the "more" devolutionists ply their trade.

The fact that not one Scottish Parliamentarian was appointed to Labour's Scottish Parliament election disaster inquiry suggests round one in the current battle has been won by the "no more" camp.

But the "no mores" are trapped between a rock and a hard place. The genie was let out of the bottle in 1999 and it can't be put back. Mr Salmond and SNP strategists know this and so they heap on the misery by demanding more powers.

And every demand they make puts the "no more" camp in the ridiculous position of having to argue that Scots don't need more powers, don't need more money, don't need more control over their own affairs.

The only hope that the "no mores" have is that, after 300 years of union within the United Kingdom, the majority of Scots seem to wish to remain part of that union. The capitalist world's financial and banking crisis of 2008 and the collapse of weak capitalist economies - Ireland, Iceland, Greece - has encouraged Scottish voters to believe that it is better to be part of the



stronger UK economy.

If it is absolutely clear where a united, leftist social democratic SNP is heading, the same cannot be said for the dis-united, right social democratic Scottish Labour Party.

Labour's policy of devolution has failed to "kill off" the nationalists. After their 2007 Scottish Parliament defeat, Labour wandered around in the wilderness: the aforementioned Calman Commission for more devolution was its only response. So more devolution - the Scotland Bill - is on its way and it is unlikely that it will "kill off" the nationalists any better than before.

As in the 1960s and '70s when the SNP scored their first major electoral successes, Labour's devolutionists today have only one answer to their old predicament, more devolution.

And some go even further than that. Ms Pauline McNeil, former Glasgow MSP and one of Scottish Labour's many big electoral casualties on 5 May, is a staunch devolutionist and has called for a separate Scottish Labour Party that will, in her words, "stand up for the interests of people in Scotland." (5 July 2011 - BBC Newsnight Scotland)

Constitutionally the UK Labour leader, Ed Miliband, is also the leader of the party in Scotland. It was Miliband who set up the Scottish party inquiry and put Jim Murphy MP in charge of it. Anti-devolutionists claim the logic of Ms McNeil's demand for a separate Scottish party is that it must lead to a separate Scottish state. If separation is good enough for the party it should be good enough for the nation.

Labour's anti-devolutionists' hope is that before Scotland is devolved into a country that is to all intents and purposes independent, someone can pull a large unionist rabbit out of the hat.

Enter centre stage, the party's Scottish Parliament elections disaster inquiry team. It is made up of three Scots Westminster MPs: Jim Murphy, Anne McGuire and Ann McKechnin. It

is led by Jim Murphy, Labour's shadow defence spokesperson and former Scottish Secretary of State in Gordon Brown's administration.

Because of Labour's historic and deeply rooted divisions over Scottish Home Rule in the 1900s, then a devolved Scottish Assembly in the 1970s, then a devolved Scottish Parliament in the 1980s, and now today, more devolution versus no more, the inquiry will find it hard to find a new way out of an old predicament.

Enter stage right, the right-wing, former army officer and Labour MP for Falkirk, Eric Joyce. Mr Joyce, a staunch unionist, very recently raised the banner of Federalism and he did so on the brand-new *Labour Home* (sic) website.

Of all the main parties, only the Liberal Democrats support Federalism. Mr Joyce claims the Tories are likely to support it when they get a new Scottish party leader.

What Federalism does that no other unionist policy has done so far, is answer the West Lothian Question. Under Federalism there would be a new English Parliament or legislature, just like there is in Scotland, Wales and Northern Ireland.

From a UK Prime Minister's perspective, especially a Labour one, creating an English Parliament may well be tantamount to committing political suicide. In all probability an English Parliament would be Conservative dominated. For example, there would be no non-Tory contingents from Scotland (58 Westminster seats), Wales (36) and Northern Ireland (8).

The other worry for the UK's small nations, is that an English Parliament, representing 84% of the UK's 60.6m population, could, de facto, become the most powerful Parliament in the UK and its First Minister the most powerful politician in the UK.

Today Scotland's separatists argue that the present British Parliament at Westminster is an English-dominated parliament which at best ignores and at worst is bad for Scotland.

That's why every fight Alex Salmond picks with the British-English Parliament plays into the hands of separation.

For Britain's capitalist ruling class, what best protects and maintains British capitalism's interests, its ability to profit from people's labour and the country's natural resources will be their principal considerations.

For Britain's working class, its internationalism and class solidarity - even within the UK - will serve its interests best.

PFI: a developing, expensive disaster

In April the National Audit Office, which oversees government spending, warned that Private Finance Initiative (PFI) deals are no longer suitable for future projects on grounds of expense.

PAT TURNBULL exposes how PFI deals are affecting public services and public sector workers.

£121.4 billion is owed on public projects worth only £52.9 billion. The bill goes up to £229 billion when expensive catering, cleaning and maintenance contracts are taken into account.

The Private Finance Initiative secures large sums for public projects, like building schools and hospitals, without immediate payment. Repayments are usually over 25 – 30 years but sometimes as long as 60, at a high rate of interest. The consortium of private firms entering into the PFI also provides other services such as catering, cleaning, caretaking and maintenance.

Currently there are nearly 700 PFI projects which will cost taxpayers £7.9 billion this year. Total costs for PFI have increased by up to a third since the start of the credit crisis, the National Audit Office says.

It was John Major's conservative government which implemented PFI for the first time in Britain in 1992. PFI was immediately attacked by the Labour opposition.

The future Secretary of State for Health, Patricia Hewitt, saw it as a back-door form of privatisation, and the future Chancellor of the Exchequer, Alistair Darling, warned that "apparent savings now could be countered by the formidable commitment on revenue expenditure in years to come."

However, two months after the Labour Party won the 1997 general election, the then Health Secretary, Alan Millburn, said "when there is a limited amount of public-sector capital available, as there is, it's PFI or bust." Labour governments presided over a considerable expansion of PFI.

Before the general election of May 2010, Nick Clegg described the PFI model as "a bit of dodgy accounting – a way in which the government can

pretend they're not borrowing when they are, and we'll all be picking up the tab in 30 years."

Last December the Conservatives issued a report calculating that the 544 PFI schemes agreed under Labour would end up costing taxpayers five times the original building costs.

"£333 to change a light bulb"

As late as March this year, David Cameron, speaking at a Conservative conference, gave PFI contracts as an example of Labour's wastefulness while in power.

Before the General Election of May 2010, Nick Clegg described the PFI model as, "A bit of dodgy accounting - a way in which the government can pretend they're not borrowing when they are, and we'll all be picking up the tab in 30 years."

He said: "Because of these PFI contracts, in one hospital it cost £333 to change a light bulb. What on earth did they think they were doing? I say, let's make this a light bulb moment for the country: never, ever trust Labour with your money ever, ever again."

However, in April the Daily Telegraph reported: "More private finance initiative projects are being pushed through by the Coalition than in any full year of Gordon Brown's premiership ... it has emerged that the Coalition is pressing ahead with a bar-

rage of PFIs, including 11 Department for Education projects and 17 at the Department for Communities and Local Government, according to Treasury figures ... An estimated 39 PFI projects are likely to be completed this year, compared with the 32 that were sealed in 2008 and the 38 completed in 2009. There were 34 finished in 2010, according to ... research by Channel 4 News. There are also 61 schemes in 'procurement', to be completed between now and March 2013, with the estimated capital value of the projects standing at £6.97 billion."

Rising rates of private sector borrowing, in April close to nine per cent, make PFI projects worse value for money than ever.

Criticisms of PFI are not new. A study by Audit Scotland, published in June 2002, looked at six of the then 12 operational PFI schools projects in Scotland covering 65 schools. In five of the six cases PFI construction costs were higher than the Public Sector Comparator, in all six the operating costs were higher, and the financing costs made up one quarter of the total costs of the projects and were 2.5 to 4 per cent higher than the council would have paid if it had borrowed the money itself for a similar project.

In January 2003 the Audit Commission for England and Wales compared 12 recent, traditionally funded schools with 17 PFI schools and found the quality was not as good, costs of cleaning and caretaking appeared higher, and they were not even completed more quickly.

There are many examples of the wastefulness and absurdity of PFI.

The Birmingham Schools PFI project started at £20 million for eight schools in 1996 but was signed at a value of £51 million for ten schools in 2002.

In Wiltshire three new schools opened under a £60 million PFI in 2001. A year later, the local education authority had to foot a bill of £250,000 extra to deal with a host of problems that the consortium refused to pay for.

In 2003 it was reported that many of the 29 schools built and refurbished

under a PFI project in Glasgow had poor ventilation and over-heating due to design defects such as inappropriate window fitting. The PFI charges for the Glasgow schools PFI project represented 24 per cent of the council's entire non-staff educational expenditure in 2000-1.

In Belfast, a school closed after seven years but the PFI contractor must be paid £370,000 a year for the next 16 years.

The largest PFI project is RAF Future Strategic Tanker Aircraft. In the words of the Daily Telegraph: 'The taxpayer will be paying around £10.5 billion for 14 Airbus A330 troop transport / tanker jets with a capital value of only about £1 billion, though the deal also includes maintenance.'

The University Hospital, Birmingham. A £559m PFI project under construction in 2007.



“a bit of dodgy accounting”

As Nick Clegg so rightly said, PFI is “a bit of dodgy accounting”, keeping public sector projects off the government's books, making it look as if government is spending less on the public sector than it really is.

It can generate huge profits for the private companies involved. Innisfree, a leading PFI firm which has an interest in 28 NHS hospitals, 269 schools, the London headquarters of the Ministry of Defence, a motorway and a prison, made a 53 per cent profit last year, paying a dividend of £8.6 million to David Metter, who owns almost three quarters of the company.

Innisfree co-owns Princess Royal University Hospital in Bromley, opened in 2003. It cost an estimated £118 million to build and equip according to Treasury figures.

Over the 35-year life of the contract the NHS will have paid Innisfree and its PFI partners £1.21 billion. While this includes support services, the National Audit Office says the deal will produce a return for the PFI contractors of 70.6 per cent.

Innisfree owns four fifths of a PFI school in Clacton which has now closed but for which taxpayers must still pay the company £1.4 million a year, Innisfree's share of the deal, until 2035.

It owns a Birmingham school where parents could not start an after-hours club because Innisfree charged £70 an hour for caretaking.

What does almost twenty years of PFI mean for the people who work in PFI-run institutions?

Worse wages and conditions

A report by David Hall in October 2008, commissioned by the European Federation of Public Service Unions, summed up some of the problems, “Security of employment is reduced, because it is related to the contract itself and/or the private company, rather than the public authority. The private company has a greater incentive to reduce employment in order to increase profit margins, and has less incentive to maintain ‘overheads’ such as training. The terms of a contract and the profit-maximising incentives of the private company, may lead to further casualisation through the use of short-term contracts or secondary sub-contracting.”

‘Workers lose their status as public employees. Most often they also lose the benefit of public sector pension schemes.

‘It is more difficult to protect and improve pay and working conditions....Union organisation is weakened because employees are divided into smaller units with different employers....

‘Other public service workers may also be affected as a result of the existence of the contract. If the income of a public authority is reduced, or if the PPP (Public Private Partnership = PFI scheme) becomes more expensive than

expected, the cuts are concentrated on the remaining direct employees, because the PPP contract cannot be broken.’

Details, however, are hard to come by, hidden by ‘commercial confidentiality’. But a 2004 study by Sanjiv Sachdev (14 December 2004, Public Service.Co.UK) revealed the position in the Prison Service, where at that time PFI had been pursued for over a decade, and where there was a body of credible evidence on pay and conditions.

Shift patterns in private prisons were more flexible. Paid sickness absence was lower in the private sector (12.5 days compared to 13.3 in the public sector).

The Prison Inspectorate expressed concern at the inexperience of PFI prison staff and low staffing levels.

Public sector staff got, on average, seven days’ more annual leave.

For prison officers the average basic pay in PFI prisons was much lower – indeed, the private average basic pay rate was below the starting basic pay rate of the public sector.

Sanjiv Sachdev gives details: “On an hourly level, public sector Prison Officer pay rates are, on average, 51 per cent greater than that of their private sector counterparts; when the value of pension and holiday benefits are added, this difference rises to 70 per cent.

‘Pay scales in the private sector are relatively truncated; in the private sector, the average length from minimum to maximum for a Prison Custody officer is £2000 – for an equivalent Prison Officer in the public sector, it is £8000.’

Rates of staff turnover in many PFI prisons were high, ten times greater than the public sector, with lower salaries the likely factor. This put more pressure on the other staff, and increased turnover difficulties still further.

Richard Tilt, the former Director-General of the Prison Service in England and Wales, told the Public Accounts Committee that, before the introduction of competition, “it was very difficult to negotiate down pay rates and conditions of service ... it becomes a slightly more viable option once you get a degree of competition.”

Overwhelming Arab opposition to USA

The U.S. and its allies will do anything they can to prevent authentic democracy in the Arab world.

NOAM CHOMSKY* analyses the relationships between Arab dictatorships and US Imperialism.

The reason is very simple. Across the region, an overwhelming majority of the population regards the United States as the main threat to their interests.

In fact, opposition to U.S. policy is so high that a considerable majority think the region would be more secure if Iran had nuclear weapons. In Egypt, the most important country, that's 80%.

Similar figures elsewhere. There are some in the region who regard Iran as a threat - about 10%. Well, plainly, the U.S. and its allies are not going to want governments which are responsive to the will of the people. If that happens, not only will the U.S. not control the region, but it will be thrown out. So that's obviously an intolerable result.

In the case of WikiLeaks, there was an interesting aside on this. The revelations from WikiLeaks that got the most publicity - headlines, euphoric commentary and so on - were that the Arabs support U.S. policy on Iran.

They were quoting comments of Arab dictators. Yes, they claim to support U.S. policy on Iran. There was no mention of the Arab population, because it doesn't matter. If the dictators support us, and the population is under control, then what's the problem?

This is like imperialism. What's the problem if it works? As long as they can control their populations, fine. They can have campaigns of hatred; our friendly dictators will keep them under control. That's the reaction not just of the diplomatic service in the State Department or of the media who reported this, but also of the general intellectual community.

There is no comment on this. In fact, coverage of these polls is precisely zero in the United States, literally. There's a few comments in England, but very little. It just doesn't matter what the pop-

ulation thinks, as long as they're under control.

Well, from these observations, you can conclude pretty quickly, pretty easily, what policies are going to be. You can almost spell them out. So in the case of an oil-rich country with a reliable, obedient dictator, they're given free rein. Saudi Arabia is the most important.

It is the most repressive, extremist, strongest center of Islamic fundamentalism, missionaries who spread ultra-radical Islamism from jihadis and so on. But they're obedient, they're reliable, so they can do what they like.

There was a planned protest in Saudi Arabia. The police presence was so overwhelming and intimidating that literally nobody even was willing to show up in the streets of Riyadh. But that was fine. The same in Kuwait. There was a small demonstration, very quickly crushed, no comment.

Favoured Dictators

Actually, the most interesting case in many respects is Bahrain. Bahrain is quite important for two reasons. One reason, which has been reported, is that it's the home port of the U.S. Fifth Fleet, major military force in the region.

Another more fundamental reason is that Bahrain is about 70 percent Shiite, and it's right across the causeway from eastern Saudi Arabia, which also is majority Shiite and happens to be where most of Saudi oil is. Saudi Arabia, of course, is the main energy resource, has been since the '40s. By curious accident of history and geography, the world's major energy resources are located pretty much in Shiite regions. They're a minority in the Middle East, but they happen to be where the oil is, right around the northern part of the Gulf. That's eastern Saudi Arabia, southern Iraq and south-

western Iran.

And there's been a concern among planners for a long time that there might be a move towards some sort of tacit alliance in these Shiite regions moving towards independence and controlling the bulk of the world's oil. That's obviously intolerable.

So, going back to Bahrain, there was an uprising, tent city in the central square, like Tahrir Square.

The Saudi-led military forces invaded Bahrain, giving the security forces there the opportunity to crush it violently, destroyed the tent city, even destroyed the Pearl, which is the symbol of Bahrain; invaded the major hospital complex, threw out the patients and the doctors; been regularly, every day, arresting human rights activists, torturing them, occasionally a sort of a pat on the wrist, but nothing much.

That's very much the Carothers principle. If actions correspond to our strategic and economic objectives, that's OK. We can have elegant rhetoric, but what matters is facts.

Well, that's the oil-rich obedient dictators. What about Egypt, most important country, but not a center of - major center of oil production? Well, in Egypt and Tunisia and other countries of that category, there is a game plan, which is employed routinely, so commonly it takes virtual genius not to perceive it.

But when you have a favoured dictator—for those of you who might think of going into the diplomatic service, you might as well learn it - when there's a favoured dictator and he's getting into trouble, support him as long as possible, full support as long as possible.

When it becomes impossible to support him - like, say, maybe the army turns against him, business class turns against him - then send him off somewhere, issue ringing declarations about your love of democracy, and then try to restore the old regime, maybe with new names.

And that's done over and over again. It doesn't always work, but it's always tried - Somoza, Nicaragua; Shah in Iran; Marcos in the Philippines; Duvalier in Haiti; Chun in South

Korea; Mobutu in the Congo; Ceausescu is one of Western favourites in Romania; Suharto in Indonesia. It's completely routine.

And that's exactly what's going on in Egypt and Tunisia. OK, we support them right to the end - Mubarak in Egypt, right to the end, keep supporting him. Doesn't work any longer, send him off to Sharm el-Sheikh, pull out the rhetoric, try to restore the old regime. That's, in fact, what the conflict is about right now. We don't know where it's going to turn now, but that's what's going on.

Loose Cannons

Well, there's another category. The other category is an oil-rich dictator who's not reliable, who's a loose cannon. That's Libya. And there, there's a different policy: try to get a more reliable dictator.

And that's exactly what's happening. Of course, describe it as a humanitarian intervention. That's another near historical universal. You check history, virtually every resort to force, by whoever it is, is accompanied by the most noble rhetoric.

It's all completely humanitarian. That includes Hitler taking over Czechoslovakia, the Japanese fascists rampaging in northeast China. In fact, it's Mussolini in Ethiopia. There's hardly any exceptions. So you produce that, and the media and commentators present pretend they don't notice that it carries no information, because it's reflexive.

And then in this case, they could also add something else, which has been repeated over and over again, namely, that the U.S. and its allies were intervening in response to a request by the Arab League.

And, of course, we have to recognize the importance of that. Incidentally, the response from the Arab League was tepid and was pretty soon rescinded, because they didn't like what we were doing.

But put that aside. At the very same time, the Arab League produced—issued another request. Here's a headline from a newspaper: "Arab League Calls for Gaza No-Fly Zone." Actually, I'm quoting from the London Financial Times. That wasn't reported in the



Spring 2011:
El Tahrir Square,
Cairo, Egypt.

United States.

Well, to be precise, it was reported in the Washington Times, but basically blocked in the U.S., like the polls, like the polls of Arab public opinion, not the right kind of news. So, "Arab League Calls for Gaza No-Fly Zone," that's inconsistent with U.S. policy, so that, we don't have to honor and observe, and that disappeared.

Democracy = Stability = Conformity to US interests

Now, there are some polls that are reported. So here's one from the New York Times a couple days ago. I'll quote it.

It said, "The poll found that a majority of Egyptians want to annul the 1979 peace treaty with Israel that has been a cornerstone of Egyptian foreign policy and the region's stability." Actually, that's not quite accurate. It's been a cornerstone of the region's instability, and that's exactly why the Egyptian population wants to abandon it. The agreement essentially eliminated Egypt from the Israel-Arab conflict.

That means eliminated the only deterrent to Israeli military action. And it freed up Israel to expand its operations—illegal operations—in the Occupied Territories and to attack its northern neighbour, to attack Lebanon.

Shortly after, Israel attacked Lebanon, killed 20,000 people, destroyed southern Lebanon, tried to impose a client regime, didn't quite make it. And that was understood.

So the immediate reaction to the

peace treaty in Israel was that there are things about it we don't like—we're going to have to abandon our settlements in the Sinai, in the Egyptian Sinai.

But it has a good side, too, because now the only deterrent is gone; we can use force and violence to achieve our other goals. And that's exactly what happened. And that's exactly why the Egyptian population is opposed to it. They understand that, as does everyone in the region.

On the other hand, the Times wasn't lying when they said that it led to the region's stability. And the reason is because of the meaning of the word "stability" as a technical meaning. Stability is—it's kind

of like democracy. Stability means conformity to our interests.

So, for example, when Iran tries to expand its influence in Afghanistan and Iraq, neighboring countries, that's called "destabilizing." It's part of the threat of Iran. It's destabilizing the region. On the other hand, when the U.S. invades those countries, occupies them, half destroys them, that's to achieve stability.

And that is very common, even to the point where it's possible to write—former editor of Foreign Affairs—that when the U.S. overthrew the democratic government in Chile and instituted a vicious dictatorship, that was because the U.S. had to destabilize Chile to achieve stability.

That's in one sentence, and nobody noticed it, because that's correct, if you understand the meaning of the word "stability." Yeah, you overthrow a parliamentary government, you install a dictatorship, you invade a country and kill 20,000 people, you invade Iraq and kill hundreds of thousands of people - that's all bringing about stability. Instability is when anyone gets in the way.



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Former African leaders speak out

**LIBYA and
IVORY COAST**

THE ORDER OF THE DAY: DEFEND THE INDEPENDENCE OF AFRICA. A joint appeal to His Excellency, Mr Jean Ping, Chairperson of the African Union Commission. April 2011.



Mandela Chissano Ben Bella Rawlings Nujoma Kaunda

Your Excellency,

We, the undersigned, thank the Africa Forum for giving us the possibility to address this Appeal to you.

For many months now we have each, individually, followed the events on our Continent with great interest and concern.

We have each focused on the events in North Africa and Côte d'Ivoire.

Having consulted with one another, we thought it appropriate that we should present to you this Joint Appeal relating specifically to Libya and Côte d'Ivoire.

We take this opportunity to salute Your Excellency and the African Union as a whole for the great efforts that have been expended to address the challenges which have arisen in the context of the political developments in these two African countries.

In this regard we have fully supported your insistence that these challenges should be addressed in a manner which would promote and entrench democracy in both these countries.

We have also supported your view that all conflicts in this regard should be resolved peacefully and in a manner which would lay the basis for national unity and reconciliation in the countries concerned.

Similarly, like you, we have thought it vitally important that our Continent, especially through the African Union, should play a leading and decisive role in terms of assisting the peoples of the African countries we have mentioned to respond to their challenges correctly.

It is inevitable that Africa will inherit the final outcomes of the conflicts in both Libya and Côte d'Ivoire.

Accordingly our Continent has a right and duty to do everything it can to encourage outcomes which address the fundamental and long-term interests of both the peoples of the countries concerned and Africa as a whole.

It seems obvious to us that developments in both Libya and Côte d'Ivoire have tragically resulted in the marginalisation of the African Union with regard to the resolution of the conflicts in these two African countries.

We are certain that this will not serve the long-term interests either of the peoples of Libya and Côte d'Ivoire or of Africa as a whole.

Among other things, as a result of this marginalisation, others from outside our Continent took decisions to resolve the conflicts in Libya and Côte d'Ivoire by resort to force rather than negotiations.

As we understand it, none of those who took these decisions had the courtesy to consult the African Union about actions that will inevitably have a profound and long-lasting impact on the future of our Continent.

This suggests that various global processes have developed in such a manner that powerful international players have come to the conclusion that they have the leeway freely to intervene in Africa to advance their interests.

It seems clear to us that among these processes which have re-opened the

way towards new foreign domination of Africa is our own weakness, centred on the erosion of our cohesion and unity in pursuit of shared goals, in particular the defence of our independence.

In this regard we find it difficult to imagine that the kind of interventions that have been made in Libya and Côte d'Ivoire could easily be visited on the countries of Latin America and Asia.

We must therefore answer the question why Africa stands out as an exception in this regard!

It therefore seems obvious that Africa has to take urgent steps to ensure that the negative tendencies which have resulted in the external interventions in Libya and Côte d'Ivoire do not become entrenched as a permissible manner of responding to Africa's challenges.

The violent intervention in Côte d'Ivoire has further entrenched the deep-seated animosities and divisions which manifested themselves as an electoral dispute arising from the 2010 Presidential elections.

These animosities will poison the relations not only among the Ivorians but will also affect the larger West African community, making it very difficult to build the relations of cooperation and solidarity which Côte d'Ivoire and West Africa need.

The conflict in Libya threatens to dismember the country, obliging its population to engage in a deadly fratricidal strife which will make national unity and reconciliation immensely difficult.

Inevitably the conflict in Libya will contribute to conflict and instability in the neighbouring countries both in North Africa and the Sahel.

This is the miserable legacy that Africa will inherit from its failure to play a decisive role in resolving the conflicts in Libya and Côte d'Ivoire.

Nevertheless it is imperative that the African Union should intervene in both these countries as a matter of urgency, as much as possible to mediate and manage the consequences of the immense damage that has been caused.

We believe that our Continent is faced with a highly dangerous emer-

Step up the struggle for Palestinian rights

On 1 June 2011 the Palestinian Boycott, Divestment and Sanctions National Committee (BNC), the steering group for the global BDS Movement, issued a statement which deserves the closest attention from those supporting or interested in the Palestinian struggle.

BRIAN DURRANS' introduction to the BNC statement highlights the solidarity actions that are needed now.

The statement, which is reproduced in full below, is by far the most comprehensive, representative, globally relevant and accessible analysis of the Palestinian position currently available.

The statement is comprehensive not in the sense of being 'exhaustive' - clearly a statement of a few paragraphs can't compete with the many books documenting the over-long history of the Palestinian struggle for self-determination against the Zionist state - but because it carefully considers all the objectives and key circumstances of that struggle as the basis for charting the actions which the Palestinians themselves and the international solidarity movement now need to take.

As part of those circumstances, the statement anticipates the possible decision of the United Nations in September to recognise Palestine as a sovereign state within borders set by Israel's victory in the 1967 war. This is

an important consideration because among both Palestinians and their supporters opinions on this move are currently divided. The timing of the statement should help build 'unity in action' by raising the level of practical solidarity work well ahead of the efforts those hostile to the Palestinian cause will make to hold it back.

The statement is representative because almost the whole of Palestinian civil society has signed up to it. This is an impressive achievement, but given the immobilising divisiveness of top-level party politics among their established leaders, grassroots activists, whose political education is renewed daily by experience of Israeli occupation, have had no alternative but to develop the resistance themselves. The Palestinian Boycott National Committee is to a large extent an offshoot of the grassroots movement, and the clarity of its 1 June statement

strongly suggests that learning the hard way may be the best way to learn the most important lessons.

The statement is globally relevant not just because the BDS campaign helps empower and harness the efforts of all sections of Palestinian society (Arab citizens of Israel, those under the Occupation and the whole diaspora) but also because, as a statement made on behalf of such a large constituency, it gives a Palestinian lead to the worldwide solidarity movement, an important if implicit reminder that solidarity means delivering support rather than trying to tell those requesting it what to do.

Finally, the statement is accessible in that it is expressed in terms that anyone can understand; is short enough for its argument to be quickly grasped; and is so clear that if anyone who is not a Zionist finds its call to action less than compelling they should immediately seek help by discussing it with friends. It needs to get into as many hands (and hand-held social networking devices) as possible.

A clear objective has been defined. How the solidarity movement organises itself in response will be a decisive factor in the struggle ahead.

The 1 June 2011 Statement of the Palestinian BDS National Committee is as follows, with the original heading:

Before and After September: The Struggle for Palestinian Rights Must Intensify

Occupied Palestine, 1 June 2011

The Palestinian Boycott, Divestment and Sanctions National Committee (BNC) warmly salutes the Nakba commemoration mass Palestinian marches on 15 May which rekindled a unique spirit of resistance, real hope and heroic initiative in the struggle for the fundamental rights of the Palestinian people.

These marches, led mostly by young Palestinian refugees, gave new impetus to the Palestinian struggle for self-determination, justice, and return of the refugees ethnically cleansed by Zionist militias and later Israel during the 1948 Nakba.

The Arab Spring of freedom, democracy and social justice that is blossom-

ing across the region was itself largely inspired by decades of Palestinian popular resistance against Israel's settler colonialism, occupation and apartheid.

This Arab Spring is today, in turn, inspiring Palestinian mass peaceful protests, after demonstrating that when the threshold of fear is crossed by enough committed activists and when there is a clear vision of a future free of oppression and subjugation any seemingly invincible oppressor can be overcome.

The large non-violent marches by Palestinian youth in the West Bank, Gaza, Damoun, Jaffa, Maroun er-Ras (Lebanon) and Majdal Shams (Syria) have put the refugees' right of return

back at the core of the question of Palestine.

By crossing hitherto impenetrable Israeli lines, real and imagined, into the occupied Golan Heights young Palestinian refugees from Syria, in particular, were able to demonstrate to the world, like their brethren in Tunisia, Egypt and elsewhere had done, that the will to restore rights is mightier than all the swords, including Israel's futile nuclear arsenal and other weapons of mass destruction.

Aside from the spreading Arab peoples' revolutions and their ability to topple some of the most brutal dictatorships anywhere, these Nakba Day return marches were buoyed by the

ongoing popular resistance to Israel's illegal wall and colonies built on occupied Palestinian territory and the fast growing global, Palestinian-led BDS movement that is scoring victories surpassing the most optimistic predictions.

The recent establishment on the May Day anniversary of the Palestinian Trade Union Coalition for BDS (PTUC-BDS), by far the largest alliance of Palestinian workers' and professionals' unions is but the latest sign that beyond a near consensus in supporting BDS, Palestinian society is gradually implementing BDS tactics in all sectors as part of an effective popular and civic resistance strategy.

BDS has also grown at an unparalleled rate lately. Most recently, Stop the JNF, a BDS campaign coordinated with the International Jewish Anti-Zionist Network, Scottish Palestine Solidarity Campaign, Palestine Solidarity Campaign in the UK, and other partners, played a key role in pressuring British Premier David Cameron to drop his honorary patron status in the racist organization.

The withdrawal of the German state-run Deutsche Bahn rail company from Israel's illegal A1 railway project connecting Tel Aviv with Jerusalem has also set a precedent whose impact cannot be overestimated.

The continued loss of billion-dollar contracts by Veolia, the French company implicated in the illegal tram project connecting Israel's colonies around Jerusalem with the city, is also a fresh reminder to international corporations that partnership in and profiting from Israel's violations of international law is not only unethical and socially irresponsible; it may also cost them dearly, financially speaking.

The University of Johannesburg's severance of ties with Israel's Ben Gurion University over the latter's complicity in human rights violations also broke a taboo and gave the BDS movement its most concrete academic boycott victory to date.

The growing ranks of artists and music groups boycotting Israel has also been quite heartening for the movement. In short, BDS is reaching new horizons and causing serious alarm among Israel's establishment, as manifested in Israeli minister Ehud Barak's warning that pressure against Israel threatens to hit "like a glacier, from all corners."

This September will mark the 20th anniversary of the start of the Israeli-Palestinian "peace process" that is widely recognized as a total failure, by any objective standard.

This sham process has served as a



cover for Israel's intensive colonization of Palestinian lands, continued denial of Palestinian basic rights, and gradual ethnic cleaning of Palestinians, while simultaneously giving a false impression of peacemaking. In this context, the BNC welcomes the recognition of a great majority of states around the world that the Palestinian right to statehood and freedom from Israeli occupation are long overdue and should no longer to be held hostage to fanatically biased US "diplomacy" in defense of Israeli expansionism.

However, recognition of Palestinian statehood is clearly insufficient, on its own, in bringing about a real end to Israel's occupation and colonial rule. Neither will it end Israel's decades-old system of legalized racial discrimination, which fits the UN definition of apartheid, or allow the millions of Palestinian refugees to return to their homes of origin from which they were violently uprooted and exiled.

Diplomatic recognition must result in protection of the inalienable right to self-determination of the entire Palestinian people represented by a democratized and inclusive PLO that represents not just Palestinians under occupation, but also the exiled refugees, the majority of the Palestinian people, as well as the discriminated citizens of Israel.

For it to go beyond symbolism, this recognition must be a prelude to effective and sustained sanctions against Israel aimed at bringing about its full compliance with its obligations under international law.

As shown in the struggle to end apartheid in South Africa, as well as in

the current struggles for freedom and justice in the Arab region, world governments do not turn against a patently illegal and immoral regime of oppression simply on ethical grounds; economic interests and hegemonic power dynamics are far weightier in their considerations.

In fact, Israeli Prime Minister Benjamin Netanyahu's militant and war-mongering speech before the US Congress, coupled with US President Barack Obama's latest humiliating submission to Israel's will, shows beyond doubt that anyone still holding on to the hope that Washington is capable or willing to contribute to building a just peace in our region is delusional.

The key lesson learned from South Africa is that, in order for world governments to end their complicity with Israel's grave and persistent violations of human rights and international law, they must be compelled to do so through mass, well organized grassroots pressure by social movements and other components of civil society. In this context, BDS has proven to be the most potent and promising strategy of international solidarity with the Palestinian people in our struggle for self determination, freedom, justice and equality.

In light of the above, and inspired by the will and the power of the people which have given rise to the Arab spring, the BNC calls upon people of conscience and international solidarity groups to proceed with building a mass BDS movement in the US and elsewhere in the world's most powerful countries before and after September.

Only such a mass movement can ensure that whatever diplomatic recognition transpires at the UN in September on Palestinian statehood will advance the rights of the Palestinian people and raise the price of Israel's occupation, colonialism and apartheid by further isolating it and those complicit in its crimes.

A mass solidarity movement that can hold elected officials, especially in the US, accountable to the people, rather than to a Zionist lobby serving Israel's colonial and belligerent agenda that directly conflicts with the interests of the American and other peoples, is the only hope for a comprehensive and sustainable peace based on justice.

This statement is also available online: <http://www.bdsmovement.net/2011/before-and-after-september-7154>

Return of structural adjustment in EU

Like a Hollywood remake, the International Monetary Fund is back, promoting Latin American style structural adjustment for a repeat run in Europe.

ALEX MITCHELL suggests the experience in opposing structural adjustment policies in Latin America will help us build opposition to IMF and EU austerity programmes.

This time around, the European Union has joined forces with the IMF, perhaps hoping to replicate its widely hailed 'success' in liberalising the economies of Central and Eastern Europe in the 1990s.

On those occasions structural adjustment policies led to large-scale impoverishment, government spending cuts and privatisation.

Overturning the Washington consensus Argentina was once a paragon for the application of the Washington consensus. Argentine policies of tying its currency to the US dollar, opening up its economy and privatisation made Buenos Aires a magnet for neo-liberal enthusiasts.

Moreover, the policies seemed to work, attracting foreign direct investment (in part to purchase privatised assets), consumer price stability and in stimulating rapid growth, averaging 6% a year between 1991 and 1998.

President Carlos Menem, leader of the Peronist party, who took over after an earlier currency crisis, supported the IMF inspired approach, which also saw a boom in property prices and a borrowing binge by the private and public sectors.

By 2001 the national debt stood at 63% of national income (GDP). But as the value of the dollar rose, Argentina's exports lost competitiveness in world markets and the economy began to contract. Unemployment reached 25% by 2002.

The IMF and World Bank continued to provide support with more loans but the government could not prevent capital flight as people and businesses transferred their savings abroad.

The crisis came to a head in December 2001, when the government defaulted on debts of \$132 billion and

abandoned the fixed exchange rate between the peso and the dollar.

As the peso plunged in value, inflation soared, throwing over half of all households into poverty. The middle classes saw the value of their savings collapse as the government imposed a "corralito" restraint to prevent people withdrawing their deposits from banks. Cash in circulation dried up and people turned to barter while thousands of small firms went out of business. Not surprisingly house prices also crashed by 20%.⁽¹⁾

Amidst mass popular discontent, a radical from the left-wing of the Peronist party challenged Menem and secured the presidency in 2003. Néstor Kirchner restored growth and stability through a range of unorthodox measures, including price controls, mobilising boycotts of petrol stations that raised their prices and supporting co-operatives set up by workers who had seized control of their workplaces.

Kirchner negotiated the rescheduling of the government's payments to the IMF and World Bank to allow the economy time to recover and imposed a massive 'haircut' on private creditors, under which the government repaid only 25-35 cents in the dollar.

As financiers are wont to say, a haircut is better than a beheading, but this one cropped pretty close. Later, in 2006, his government paid off the remaining IMF debt of \$9.5 billion at one go "to bury an ignominious past of eternal, infinite indebtedness".⁽²⁾

Kirchner co-ordinated his move with Brazil's president Lula da Silva and Venezuela's Hugo Chávez, whose Bono del Sur initiative aims to promote self-sufficiency within Latin America.⁽³⁾

By cracking down on tax evasion, Kirchner was able to raise funds for social assistance, free school meals,

medical treatment for the poor, and public works, which helped lower unemployment to 8%. He was prepared to do what it took to put Argentina back on her feet and it is to the movement's loss that he was felled by a heart attack in 2010.

European debt crisis

The parallels with the current crisis in Europe are evident, although they cannot be exact. The European single currency has placed several smaller EU members in a fix, similar to that faced by Argentina when the peso and the dollar were linked.

The euro's value is related to the performance of the Eurozone's larger member states, notably Germany, whose strong export capability tends to push the currency higher. In addition, the financial crisis has left banks in Greece, Ireland, Iceland, Spain, Portugal and the UK in serious difficulty, with a stack of bad loans that had been backed by inflated property prices.

It should be remembered that the key problem lies in managing the debts of the private sector, which have grown to between 100% and 200% of national income, far larger than the public sector's debt burden.⁽⁴⁾

As economic commentator Wolfgang Münchau has stated, "this is not a fiscal crisis. It is a crisis of the private sector and of undercapitalised banks."⁽⁵⁾

Rescuing domestic banks nonetheless led governments to take on additional debt, which, along with the recession (that has reduced tax revenues), has meant they are finding it hard to repay current and past borrowing.

Their fiscal position was made worse by the withdrawal of EU structural funding for infrastructure, economic development and training, that has been re-directed to the newer member states of Central and Eastern Europe.

With financial institutions demanding extortionate rates of interest to buy government bonds, the governments of Greece, Ireland and Portugal sought finance from their EU partners and the IMF to tide them over. These so-called 'bail outs' are misnamed, since the

Greek, Irish and Portuguese taxpayers have to repay the loans at interest.

In fact the lending governments make a tidy profit since they charge an interest rate of over 5% a year on funds they can raise at 3%.⁽⁶⁾

Furthermore, the EU/IMF loans allow the borrower governments to repay their debt to international, and especially British, French and German, banks on schedule.⁽⁷⁾

In order to generate the spare cash to repay the EU/IMF loans, the three governments must run a budget surplus by raising taxes and cutting public spending. This sucks money out of the economy at a time of low economic growth, thus pushing up unemployment and poverty.

As the Irish, Greek and Portuguese economies contract, their debt burdens rise and, inevitably, the EU and the IMF are demanding more austerity and further neo-liberal measures, in the name of fostering stronger growth. In May, the Financial Times quoted "a senior European official", presumably the Commissioner for Economic and Monetary Affairs, Olli Rehn, as saying "the key issue was ... that Greece must deliver on privatisation and structural reforms".⁽⁸⁾

Athens is planning to raise €50 billion from privatisation by 2015 through the sale of 49% of the Greek electricity supply system and offering concessions to operate ports and leases for the development of state land.

Commissioner Olli Rehn is insisting that member states put their houses in order by introducing tax and benefit systems "more conducive to employment growth, [by] reform [of] labour markets and pensions ... and [to] simplify the regulatory environment to help enterprises".⁽⁹⁾

This strategy matches the pact for "competitiveness and the avoidance of harmful economic imbalances" accepted by most EU member states in March 2011. The drain of money out of the economy can be offset if exports rise, so the EU and the IMF are backing measures to improve competitiveness.

The idea is to reduce the regulatory role of government, avoid government deficits and make labour markets more flexible. At its centre is the contention that several countries lost competitiveness by allowing their labour costs to rise close to German levels without achieving comparable productivity. The European Central Bank claims that "the necessary adjustments that are being made are structural in character", through "credible medium-term fiscal

consolidation ... to promote long-term growth".⁽¹⁰⁾

Fiscal consolidation is bankers' jargon for keeping government expenditure in balance with revenues, a term featuring in the IMF's hymn book for many a year.

Despite the IMF's own research showing little clear linkage between the regulation of labour markets and economic imbalances, the IMF maintains that "structural policies that improve wage flexibility could facilitate current account adjustment".

In its latest Economic Outlook for Europe, the Fund goes on to suggest that "fiscal consolidation ... and critical structural reforms" are the "foundation for restoring confidence".

It admits that flexible labour markets "worsen inequality" because the use of temporary employment contracts brings poverty in its wake.

Many European countries now have segmented labour markets, where some people are unable to find work except on temporary contracts or through agencies ..

Notwithstanding, the IMF advises governments to "improve wage flexibility ... to allow wages to reflect productivity more closely" (but, crucially, not the cost of living) and to "relax protection" of workers on permanent contracts.⁽¹¹⁾

Many European countries now have segmented labour markets, where some people are unable to find work except on temporary contracts or through agencies, which then despatch them to work alongside staff enjoying a modicum of job protection and stable earnings.

In a dual labour market there is a pool of marginalised and underemployed workers – a veritable reserve army of labour, whose existence will facilitate any employers' offensive.

"Modern industry's whole form of motion depends on the constant transformation of a part of the working population into unemployed or semi-employed 'hands'," Marx pointed out.

"The industrial reserve army, during periods of stagnation and average prosperity, weighs down the active army of workers; during the periods of overproduction and feverish activity, it puts a curb on their pretensions."⁽¹²⁾

It appears that the IMF is advocating the lowering of living standards for those workers on permanent contracts

with fixed or regular hours, and it is a signpost of what to expect from the EU's parallel agenda of labour market 'reform'.

Even so, the EU's blatant backing of neo-liberal structural adjustment measures, as seen in the pact for competitiveness, is already testing its supporters within the labour movement. Of course there will always be some who point to alleged privileges enjoyed by, say, Greek or British civil servants (early retirement options and decent pensions), not available to all employees, forgetting the greater injustice of those agency workers who cannot even enjoy employee status.

I remember a Labour councillor in Manchester defending the Labour government's stand against the striking Fire Brigades Union in 1977 on the grounds that fire fighters received free socks along with their helmets and protective clothing!

That said, just as in Latin America, the force feeding of structural adjustment will soon enough discredit the EU and IMF across a whole swathe of society. In these circumstances people will respond to politicians who are prepared to stand up in favour of a radical change of direction.

The Washington consensus fell apart as Latin American leaders challenged Washington. Although we can hardly speak of a Brussels consensus, given the difficulties in reaching agreements within the EU, an equivalent wave of dissent could be in the offing.

We can work it out

"Make the bankers pay" is a fine slogan but an inadequate platform for resolving the crisis in favour of working people.

A key feature of the current crisis lies in the banks' problems, which have necessitated government rescues. Several countries now rely upon the support from the EU, the ECB and the IMF to enable their governments to borrow and their banks to remain solvent.

This puts the neo-liberal promoters of structural adjustment in a strong position to dictate terms. In Britain and Spain, governments have made preemptive expenditure cuts and are set to introduce further labour market changes to avoid being driven to seek external help.

Nevertheless conservative Germans should not be the only ones worried about an escalating mountain of debt that neither governments nor banks can repay in the near term. Debts are being taken on to repay debts. Néstor

Kirchner put his finger on the same problem.

Some on the Left appear to be taking notice of the Latin American experience. There, the rejection of structural adjustment and 'reform' did not entail throwing economics out of the window through a mixture of wishful thinking and profligacy, as the Right would have us believe. So although his words met with "an icy reception" at the ECB, Eamon Gilmore was correct to say that the Irish people had a choice: "It's Frankfurt's way or Labour's way."⁽¹³⁾

Gilmore is the leader of the Irish Labour Party, the Tánaiste and Minister of Foreign Affairs and Trade in the new government. Labour won over 19% of the vote, one of its best results since 1922. The point is that we have to do things differently if we are to escape the trap of trying to dig our way out of a hole by the futile means of digging deeper.

One solution doing the rounds is the 'haircut', whereby creditors accept a partial repayment and forgo the full sum owed. The Greek government could obtain some breathing space by offering to repay loans over an extended timescale - a re-profiling of debt maturities - while continuing to pay the interest charges.

The big problem in Britain, Ireland and Spain is the large proportion of bad loans made on property deals. UK banks wrote off £500 million in 2010 by selling commercial property they had taken over from lenders who could not repay their debts. But they still have £224 billion of commercial property loans on their books, of which 60% is non-prime or secondary, according to a De Montfort University study.⁽¹⁴⁾ Much of this poor lending was made by HBOS, RBS and Northern Rock, now all under government control.

The Irish government has set up a National Asset Management Agency to separate the good parts of its banking from the bad. At some point all these troubled banks will return to health, so governments can argue that the pile of bad debts they took on is a temporary measure and that in principle they own assets that will one day provide a real return. It remains possible that indebted governments and troubled banks can muddle through over the next ten years.

However, the drivers within capitalism that seek to roll back the gains made by European workers over the last century are not going to diminish in their intensity. The relocation of production to rapidly developing countries in Asia and Latin America is 'hollowing

out' the productive base of advanced industrial countries.

As Britain and Ireland have discovered, the reliance upon financial services, which recycles much of the value produced in developing countries, has not proved to be a dependable foundation for growth. If mature economies like the UK are to retain high and stable living standards, rather than go down the structural adjustment route of wages cuts, they must re-invent their economic model.

One of the 'blind spots' in conventional economic thinking is the assumption that it is the function of wages to 'adjust' rather than profits. And since capitalists are unlikely to go along with the latter it is the responsibility of a government with a socialist orientation to step in. It is time to examine the potential for introducing a planned economy pillar to anchor economic and

... decisions on the use of resources should be made on non-economic criteria, for instance, medical treatments are provided on the basis of good clinical practice and the likelihood of recovery, not on cost.

social development.

Socialised public services can be the central pillar of the economy, providing secure employment sheltered from market volatility. But it needs to be a planned sub-set of the economy, paying wages set at a level consistent with the value it is delivering to society.

The pillar should encompass education, health and social care, house building, security and environmental services, which would be closed to market operators. In other words, decisions on the use of resources should be made on non-economic criteria, for instance, medical treatments are provided on the basis of good clinical practice and the likelihood of recovery, not on cost.

This will insulate a section of the economy, with most households having at least one member employed within it, thus providing a degree of stabilising ballast as it were. An important point is that the socialised section creates value and is not a parasitic feature living off the rest of the economy (the other pillars being manufacturing, retail and financial services, tourism, and so on).

In fact, teachers and nurses will be supporting jobs in the non-socialised

trade sectors. Overall the economy must develop in a balanced way, so that surpluses in one sector cover deficits in another. I hope to expand these proposals in a future article.

To be sure, fighting the cuts is vital and it is certainly not enough to argue that the cuts should simply be made more slowly, as the British Labour Party is proposing. But structural adjustment is not just about public spending; it involves remodelling labour relations.

Unless these inter-related strands are addressed comprehensively, the Far Right could ride into power as the champion of working people's conditions, by claiming that the threat to wages comes from immigrants and ethnic minorities. At times of acute crisis, big business has on past occasions played the fascist card. Luckily there are alternative economic policies to take forward and practical examples to inspire.

FOOTNOTES

1. See <www.globalpropertyguide/Latin-America/Argentina/Price-History>
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Economic thoughts on South America

Virtually all of South America has cut the economic apron strings that tied it to the USA for 80 years or more.

DAN MORGAN looks at the major economies of South America and sees signs of hope.

It is also free of IMF 'restructuring' plans that caused so much human misery. And for the short term at least, the economic outlook is good. The biggest worry is of 'overheating'.

The same is not true for Central America and the Caribbean, still linked more or less closely to the US economy with its shaky prospects.

South America is still largely a producer of raw materials. In the '50s and '60s economists talked of a 'scissors effect', with prices of raw materials falling, and industrial goods rising. For the past few years, and it seems likely the next few, there is a scissors effect in reverse.

The dynamism of China (plus India and other Asian economies) has caused big increases in the prices of 'commodities' and the consequent prosperity for South America. The shift in the economic 'centre of gravity' of the world will have ever-increasing effects on not just economic, but political, thinking.

BRAZIL

This country accounts for about half of the continent, with a vast area, natural resources, and 200 million people. Exports to China, India and Russia were only 9% of Brazilian exports in 2006, already in 2009 they were 17%.

It is also industrially developed. There are many big vehicle factories, European owned mainly but now with South Korean and soon Chinese competition. There is a thriving domestic capitalist and financial sector, which is diligently expanding into other countries in the region. It has grown at about 6% a year recently.

Workers' Party President Lula (2002-2010) did nothing to change class relations of power but increased social spending, which was a factor in the increase of internal demand. The Gini

index⁽¹⁾, a measure of income inequality improved somewhat, from a horrible 61 in 1998, to a still awful 57 in 2005. This in turn stimulated the economy. He was certainly independent of US policies, especially economic, and was a



prime mover in Latin American integration, in particular having friendly relations with Hugo Chavez of Venezuela.

The press (almost entirely reactionary, elite-owned in the region) was critical. Now, however, the press reports that the business sector in Brazil is not happy with his successor, Dilma Rouseff, because she has not travelled much, and not established friendly relations with Chavez!

Business is business, and Venezuela has huge amounts of oil money. As a Brazilian businessman told me recently, when I remarked on Lula's travels:

“Yes, and he got a lot of contracts”.

Trade Union and popular movements are much weaker now than 30 years ago, in the movements against the last years of the military dictatorship. Racism is a particular problem: a large proportion of the working class is black. Brazil was the last big country to abolish slavery in 1888, and racism is rife.

ARGENTINA

This is the other most industrially developed country. Neoliberal policies, with the peso tied to the dollar in the '90s, brought it to economic collapse in 2001.

An unknown politician, Néstor Kirchner, became President and transformed the situation, by defying the IMF head-on. He refused IMF terms for paying the enormous national debt, and used all resources to stimulate the economy, which has grown 6% a year on average since then. Now a lot of the debt has been paid but social spending has increased. His successor, his wife Cristina Fernandez, continues the same policies, and stresses the need to redistribute income. Both were/are hated by business circles, for their interventionist policies and reversals of privatisations, but have great popular support. Néstor Kirchner's death in 2010 was a great blow for progressive integration in South America, as he was Secretary of UNASUR, the organisation of South American countries.

Argentina's economy is doing well (6.5% growth forecast for 2011), especially helped by high prices of soya beans and wheat. A strong trade union movement, and government policies, led to a Gini index for 2009 of 46, the lowest in the continent apart from Venezuela (41 in 2009) and Argentina's 'little sister' next-door Uruguay at 45.

CHILE

Copper, mainly exported to Asia, is at a record high price and the economy is booming except for 80% of Chileans.

The national debt is gone, the government is awash with money but the neoliberal government is still reducing public spending, wanting an ever-small-

er state. The excuse for doing this is to reduce inflationary pressures and thus the need for interest rate increases. In the absence of controls on capital flows, higher interest rates mean capital inflows, and even greater upward valuation of the currency.

Foreign mining companies are 'earning' fabulous sums, and the domestic monopolies have huge profits to invest at home and, increasingly, in other Latin American countries.

The Gini index (2003) was 55 and not changing much, although there is a political decision to end 'extreme poverty'. The aim is to prevent social revolt, and maybe there is also some recognition that extreme inequality leads to crime.

Imports are also increasingly Asian, vehicles are now mainly Japanese, South Korean and, more recently, Chinese and Indian. The ESSO and Shell petrol stations have been sold to Petrobras (a Brazilian company with 53% state ownership) and a Chilean capitalist conglomerate respectively.

The Bolivarian Alliance for the Peoples of Our America (ALBA)

As well as aiming for full political independence, the countries of this alliance aim at economic and social solidarity and integration, for full independence from imperialist interests.

They are Cuba, Venezuela, Bolivia, Ecuador and Nicaragua in Latin America; Dominica, St. Vincent and the Grenadines, Antigua & Barbuda in the English-speaking Caribbean.

Venezuela is the oil giant and with recent prices has loads of money. Oil is sold on very preferential terms to other ALBA members, the 16 Caribbean members of Petrocaribe and South Africa.

The Venezuelan Bolivarian revolution has radically changed the political spirit, goals and practice of the government. Much remains to be done in economic consolidation of the firms nationalised, and also in building a strong political base. Cooperation agreements have been signed with other Latin American countries, Russia, Iran and China, and there are impressive plans for housing and other productive developments. Public spending has risen by more than 3 times under Chavez, and the Gini index for Venezuela was 39 in 2009, the lowest inequality in South America, down from 48 in 2003.

BOLIVIA AND ECUADOR

They have taken ownership of their oil and gas reserves. Bolivia's currency reserves have risen from 1 billion dol-

lars in 2003 to 9.7 billion now.

Old people have pensions for the first time, and families have grants for every child who attends school. A new gas pipeline to Argentina will greatly increase national income.

CUBA

The only socialist economy in the region deserves special attention. Social achievements are outstanding. Education and health services are a model for the region and the world in terms of both access and results.

Economic policy has changed greatly over the past 40 years but the present reforms will be the biggest change yet. Che Guevara was strongly against material incentives to work, and Fidel Castro has also apparently been very wary of them. These strong egalitarian tendencies for wages policy may have been suitable for the first few years of

work also. These attitudes will have to change. Incentives have been introduced for cooperatives and small farmers to produce more but more production is needed, to achieve full independence from the vagaries of world markets.

In short, Latin America is no longer totally dependent on the USA, although not fully independent. The countries of the ALBA alliance in particular are taking major strides towards independence from imperialism, with their policies and programmes for integration.

Several other countries are also working for Latin American integration, to strengthen their economies and economic independence. Even in the Caribbean, still most dependent on the USA, they mainly have energy independence.

The short-term outlook is good, as



Raúl Castro, in recent speeches, has emphasised the need for payment according to work done, quoting Marx's 'Critique of the Gotha Programme', where a historical stage of social development is necessary between capitalism and communism, with payment according to the contribution to society.

the revolution, but are now recognised to be a brake on production and productivity increases.

Raúl Castro, in recent speeches, has emphasised the need for payment according to work done, quoting Marx's 'Critique of the Gotha Programme', where Marx writes that a historical stage of social development is necessary between capitalism and communism, with payment according to the contribution to society.

Raising production, especially food production, will be a hard task with a rural population that historically worked casually in cane or tobacco production for only a few months a year.

There is also a cultural problem: in the '60s and '70s the punishment for bad workers was to be sent to work in agriculture, and prisoners did farm

long as China avoids 'bubbles' or other economic crises. With economic independence comes political independence, and the USA will increasingly have to use coups or direct military force to protect its economic and political interests, as in Honduras and Haiti in the region recently.

Its economic power is in decline but its military power is overwhelming. A wounded beast is especially dangerous, and desperate, and the recent imposition of sanctions on PDVSA, the Venezuelan oil company, for trading with Iran, is a symptom of this.

FOOTNOTE

1. Distribution of family income - Gini index: this index measures the degree of inequality in the distribution of family income in a country. The more nearly equal a country's income distribution, the lower its Gini index. The more unequal a country's income distribution, the higher its Gini index. If income was distributed with perfect equality, the index would be zero; if income was distributed with perfect inequality, the index would be 100. Scandinavian countries have an index of about 25, the UK 34, and the USA 40.

Drugs profits, the NHS and the law

The manner in which “intellectual property rights” laws are used to bolster the profits of the big pharmaceutical companies is well known. But the problem does not end here.

JOHN BECK, a pharmacy technician, reveals how the profit-motive is beginning to dominate the NHS and the treatment of patients.

As a pharmacy technician, working for a Teaching Hospitals Foundation Trust, the above problem rarely impinges on my work – but others have a more immediate and direct effect.

Two of the more important are: the selling (for export) of drugs that are in short supply; and the massive price increases for treatments when “public domain” drugs for rare (“orphan”) diseases are allowed to be patented.

Exporting drugs in short supply

Short supply of drugs is a common problem in the pharmacy in which I work. Often the problem is caused by difficulties in the manufacture of the drug, but every so often it becomes clear that it is due to profiteers among the suppliers or retail pharmacies exporting the drugs to more profitable markets (usually in other parts of Europe).

This is further exacerbated by continued export once supplies have become limited, despite regulations that require suppliers at any level to ensure that the home market is kept supplied as a priority.

The problem is not unique to this country – many times, we have been supplied with drugs packaged for overseas markets (and often manufactured abroad) (“parallel imports”).

Such behaviour might be expected from commercial operations, such as drug manufacturers and wholesalers, and high-street pharmacies. But the “market reforms” introduced by the previous Tory government, then enthusiastically pursued by the last Labour one, have permitted the same profit motive to drive the activities of public healthcare providers, particularly Foundation Trusts.

Last year, the Health Service Journal

(HSJ) – owned by a corporate publisher – reported that the Royal Surrey County Hospital Foundation Trust (RSCHFT) had been selling a range of drugs commercially.

In February 2010, the HSJ reported that, overall, the Trust had sold £4.6 million of drugs for export between April 2009 and January 2010. Thirty-three drugs in all were sold, of which thirteen were anti-cancer drugs, and four, anti-HIV drugs. The anti-cancer drugs included imatinib (Glivec™), only available as an (expensive) patented product.

The Trust claims that it stopped selling imatinib in October 2009, the month before it was officially listed as being in short supply in Britain. It said that it had never sold products that were in short supply, and had stopped trading in imatinib as soon as it was listed.

Even if one takes their statement at face value, this means that they did not sell the drug once it was in short supply – but they did contribute to that shortage.

However, the list published in November 2009 was the first such list. Pharmacists had been reporting repeated shortages of many drugs since October 2008, due to the fall in the pound against the euro making drug export a lucrative operation.

The dates cited by the HSJ also show that the RSCHFT continued the export of drugs (not just imatinib) after the Chief Pharmacist for England had informed all Hospital Chief Pharmacists, in a letter dated 14 July 2009, that the export of drugs for short-term financial gain was “wholly unacceptable and con-

trary to acceptable professional behaviour”.

The HSJ reported that the Trust’s Finance Director admitted that the operation was profit-driven (“Yes, we did see this as an opportunity to make a margin”) and, obliquely at least, that discontinuation of the operation was also driven by commercial concerns, not the growing drug shortages in Britain: the opportunity for profit had decreased because the euro fell against the pound through October 2009.

Despite repeated demands from health professionals, the Government has repeatedly resisted the implementation of practical measures to prevent the export of drugs in short supply, citing the free-market laws of the EU.

All it has done is to reiterate the responsibility of suppliers to ensure that the needs of British patients are met. The MHRA, which is supposed to regulate all aspects of healthcare in this country, has done no better. Indeed, by May 2009, while the shortage of drugs grew more acute, the Agency had issued 180 new wholesale licenses – nearly 60% more than for the whole of 2008.

Drug manufacturers have occasionally appeared to support these demands for action, but their support has been lukewarm at best. It is not difficult to see why: when hospital trusts find themselves short of a drug, they have to obtain supplies “off-contract” (i.e., not from their normal supplier(s)).



The prices quoted for these “off-contract” supplies can be tens, even hundreds of times higher than “on-contract” – even for supposedly “cheap” generic drugs. Several years ago, a number of generics manufacturers were being investigated for forming a cartel to keep prices high – clearly, they have found a new way to cheat the NHS.

Orphan drugs

“Orphan” diseases are defined (by law, in the USA and EU) as those affecting only a small minority of the population.

In the USA, this was defined (in 1983, by the Orphan Drug Act) as 200,000 persons or less. In the EU, the definition also includes some tropical diseases if they are rare in European countries.

Orphan drugs are those which are developed to treat these diseases. Although they are required to go through clinical trials, as with drugs for

... some drug companies are (ab)using orphan drug legislation in order to bolster the profits from these drugs, and that they are, in Britain, at least, being willingly abetted in this by the regulatory agencies.

more common diseases, some of the burdens of this process are lifted in order to encourage their development.

It is clear, however, that some drug companies are (ab)using orphan drug legislation in order to bolster the profits from these drugs, and that they are – in Britain, at least, being willingly abetted in this by the regulatory agencies.

Lambert-Eaton myasthenic syndrome is a potentially lethal “orphan” disease affecting a few hundred patients in the UK, a few of whom are treated at the Trust for which I work. Since around 2005, the recommended treatment for symptoms associated with this syndrome has been the unlicensed drug amifampridine (3,4-diaminopyridine).

Last year, a French company – BioMarin – obtained a license (under the EU’s orphan drug legislation) for a derivative of the drug, amifampridine phosphate.

According to a briefing issued by the NHS network of medicines information pharmacists, no randomised controlled drug trials were conducted into the efficacy of the licensed form (before it was licensed), or to compare it with the

existing unlicensed form.

The only published data supporting the claim of similarity between the two drug forms was in a review sponsored by BioMarin itself. Other information submitted to the European Medicines Agency by BioMarin in support of its licensing application has not been published.

It should be noted that little of the data cited by BioMarin in its license application was actually obtained for their preparation, or paid for by them – most of it derives from the use of the unlicensed preparation over many years, including clinical trials financed by other organisations.

But if there is little difference between the licensed and unlicensed drugs in their efficacy, there is a huge difference in price between them. The unlicensed preparation, at the maximum total daily dose of 60mg, costs (2010 prices) around £1,000 per year per patient. The licensed formulation, at the same dose, costs £44,000 per year per patient (exclusive of VAT).

The Medicines and Healthcare products Regulatory Agency (MHRA) has said – in line with existing policy – that it would permit the import of the unlicensed form of the drug only if there is a clinical reason for preferring it over the licensed form.

Treatment would normally be initiated by a hospital consultant, to whom a patient had been referred by his or her GP.

Once Lambert-Easton myasthenic syndrome had been confirmed, agreement over payment would have to be reached between the consultant’s hospital and the GP’s primary care trust. Even without the “savings” (i.e., cuts) being forced on the NHS by the current government, PCTs would be reluctant to pay the vastly inflated price for treatment with the licensed drug.

Those “savings” mean that refusal to pay by the PCTs is even more likely, leaving the hospital to pick up the tab, or the patient (and family) to seek private treatment which many could ill afford.

That this scenario is not mere speculation is shown by the reports in early April that – in order to accommodate government-enforced cuts – NHS Trusts are beginning to withdraw services, and dismiss the staff who provide them. Subsequent reports make such a scenario even more likely: in order to make the necessary savings, PCTs are redefining many types of surgery as “of little benefit” in order to justify cancelling operations.

For example, patients requiring total

hip or knee replacements are being denied them, leaving them to suffer increasing (and increasingly painful) avoidable disability.

A group of neurologists challenged the government to take action on the overpricing of orphan drugs, but it declared that it could do nothing until 2013. Since then, many neurologists

And it is becoming clearer that its real intention for the NHS is to make the profit motive central to healthcare provision in this country - privatisation in all but name.

According to one advisor to David Cameron, the private sector stands to make huge profits from the government’s healthcare “reforms”, while the NHS itself will be reduced to little more than financing care rather than its provision.

have been risking legal action by the MHRA by continuing to prescribe the unlicensed form of 3,4-diaminopyridine in order to ensure that their patients receive the treatment they need.

It is quite clear that neither of these problems is going to disappear soon – the Tory coalition government continues to reiterate its formal adherence to laws designed to protect profits.

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These revelations followed quickly in the wake of Cameron’s fraudulent “listening pause” in the proposed reforms. “Fraudulent”, because the government made it quite clear that it was interested only in hearing proposals for tinkering with the details rather than objections to the basic reforms – even though it is the latter about which most concern has been expressed, especially by patients’ groups and healthcare professionals.

Pakistan's poet - Faiz Ahmed Faiz

Just as the poetry of Pablo Neruda was massively popular with ordinary Chileans - who regarded him as their national poet - so Faiz Ahmed Faiz (pictured) was loved by millions of Pakistanis, who knew his poems by heart.

SIMON KORNER, to celebrate the 100th anniversary of the great Pakistani poet, looks at two of his most famous poems.

His funeral in 1984 was a day of mourning for the whole country, and many Faiz poems have been set to music and are still widely sung.

Faiz, a Communist like Neruda, was born in British India in 1911, the son of a lawyer. He joined the newly formed Progressive Writers' Movement in the 1930s, served in the Indian Army during the Second World War, becoming a Lieutenant Colonel, and after Partition - which he condemned - moved to Pakistan, where he became editor of the Pakistan Times, an English-language daily. He also worked as managing editor of the Urdu daily Imroz, and was actively involved in organising trade unions.

In 1951 Faiz was accused of plotting a coup with a group of Pakistani army officers and, after four years on death row, was released in 1955 after worldwide pressure from such stars as Paul Robeson. In 1962 he was awarded the Lenin Peace Prize by the Soviet Union. He went into exile in Moscow, London and Beirut, eventually returning to Pakistan.

Much of his poetry follows the conventions of ghazal, the classical form of traditional Urdu poetry, which had been influenced by Persian literature. But Faiz's work revolutionises the conventions, extending the meanings of many traditional terms. For instance, Faiz often addresses poems to his "beloved", a central word in the ghazal vocabulary.

In his hands, it refers to both a person and also to the people as whole, even to revolution. He sees the individual as existing within a wider context: "The self of a human being, despite all its loves, troubles, joys and pains, is a tiny, limited and humble thing."



Don't Ask Me for That Love Again

His most famous poem Don't Ask Me for That Love Again, which is not in the strict ghazal form, explains why he can no longer cocoon himself inside romantic love:

*"That which then was ours, my love,
don't ask me for that love again.
The world then was gold, burnished
with light -
and only because of you."*

He goes on to recall powerfully the total absorption of being in love:

*"How could one weep for sorrows other
than yours?
How could one have any sorrow but the
one you gave?
So what were these protests, these
rumors of injustice?
A glimpse of your face was evidence of
springtime.
The sky, whenever I looked, was nothing
but your eyes."*

But such romanticism is answered in the second part of the poem, where his

later experiences are described:

*"All this I'd thought, all this I'd
believed.*

*But there were other sorrows, comforts
other than love.*

*The rich had cast their spell on
history..."*

The youthful, Romeo-like quality in the line "If you'd fall into my arms, Fate would be helpless" cannot be sustained in the face of reality:

*"Bitter threads began to unravel before
me*

*as I went into alleys and in open mar-
kets*

*saw bodies plastered with ash, bathed in
blood.*

*I saw them sold and bought, again and
again."*

An alternative translation of these lines puts it even more strongly:

*"Everywhere - in the alleys and
bazaars -*

*Human flesh is being sold -
Throbbing between layers of dust -
bathed in blood."*

He can't ignore this reality once he has seen it, and yet neither can he forget his human beloved.

*"And you are still so ravishing - what
should I do?"*

This, perhaps, is the source of the poem's power - its refusal to opt for simple heroics and straighten out the ambivalence he feels. He can't deny how sweet love is, and yet in spite of this he also acknowledges that:

*"There are other sorrows in this world,
comforts other than love.*

*Don't ask me, my love, for that love
again."*

It isn't that he scorns love but that he understands that it can't exist in isolation from the world. The phrase "comforts other than love" suggests the joys of political struggle and comradeship, as though these could be a different, wider form of love.

In that repetition of "my love" in the final line, Faiz nevertheless re-empha-

sises how difficult it is to leave behind his former bliss. This is a poem about the heavy burden of taking on responsibility, and the inner struggle that that entails.

Don't Ask Me for That Love Again

*That which then was ours, my love,
don't ask me for that love again.
The world then was gold, burnished
with light –
and only because of you. That's what
I had believed.
How could one weep for sorrows other
than yours?
How could one have any sorrow but the
one you gave?
So what were these protests, these
rumors of injustice?
A glimpse of your face was evidence of
springtime.
The sky, whenever I looked, was
nothing but your eyes.
If you'd fall into my arms, Fate would
be helpless.*

*All this I'd thought, all this I'd believed.
But there were other sorrows, comforts
other than love.*

*The rich had cast their spell on history:
dark centuries had been embroidered on
brocades and silks. Bitter threads began
to unravel before me*

*as I went into alleys and in open mar-
kets
saw bodies plastered with ash, bathed in
blood.*

*I saw them sold and bought, again and
again.*

*This too deserves attention. I can't help
but look back*

*when I return from those alleys – what
should one do?*

*And you are still so ravishing – what
should I do?*

*There are other sorrows in this world,
comforts other than love.*

*Don't ask me, my love, for that love
again.*

A Prison Evening

Another poem written in prison is also one of his most well-known.

A Prison Evening has many of the attributes of an exquisite love song, something like a Shakespearean sonnet in the richness of its rich imagery, and yet it uses the beauty it describes – beauty which it itself embodies – as a powerful argument for political optimism.

One phrase in A Prison Evening seems to sum up the poem's particular power: "strangely sweet". This is precisely its tone – songlike, elegiac and yet triumphant. It is almost narcotic in its

effect, but we are not lulled by it but, rather, roused and strengthened.

The title informs us of the setting: prison. Then we have the first of the astonishing images, night personified (another translation renders it as: "Night – enchanting princess"), descending a staircase of stars:

*"Each star a rung,
night comes down the spiral
staircase of the evening."*

In spite of the almost magical, fairy-tale feel of this metaphor, Faiz's commentary elsewhere shows this can be taken as an accurate description of his state of mind in prison, in which

*"time and distances of the outside world
are negated; the sense of distance and
nearness is obliterated."*

He says that in prison "like the dawn of love, all the sensations are again aroused" and we feel this strongly with the second image, of the breeze whispering words of love:

*"The breeze passes by so very close
as if someone just happened to speak of
love."*

The contracting of distance occurs again in the third metaphor, of trees embroidering the sky with their weave of branches:

*"In the courtyard,
the trees are absorbed refugees
embroidering maps of return on the
sky."*

The refugee/return image here may be a brilliant addition by the translator Agha Shahid Ali – a translation by Daud Kamal has it differently:

*"Gnarled and hunchbacked
Trees in the prison compound
Are embroidering exquisite designs
On the sky's blue silk shawl."*

Like Don't Ask Me for That Love Again, this poem divides into two distinct parts, which the translator physically separates on the page. The second part is an answer to the grief of

*"separation from my lover."
"This thought keeps consoling me:
though tyrants may command that
lamps be smashed
in rooms where lovers are destined to
meet,
they cannot snuff out the moon..."*

Without the preceding part of the poem, this would not be convincing. But such is the power of the beauty Faiz has conjured up before our eyes, we believe him when he claims:

"no tyranny will succeed,

*no poison of torture make me bitter,
if just one evening in prison
can be so strangely sweet,
if just one moment anywhere on this
earth."*

This sounds like Keats's statement "Beauty is truth, truth beauty" but rather than elevating beauty above all else, Faiz is reminding us of the power of the human spirit.

The imagination cannot be imprisoned and human joy cannot be extinguished, even in the most unlikely of circumstances. The very fact that the poet is able to create such beauty from behind bars has become a victory, something heroic, and thus gives encouragement to all in the struggle for freedom.

A Prison Evening

*Each star a rung,
night comes down the spiral
staircase of the evening.
The breeze passes by so very close
as if someone just happened to speak of
love.
In the courtyard,
the trees are absorbed refugees
embroidering maps of return on the sky.
On the roof,
the moon – lovingly, generously –
is turning the stars
into a dust of sheen.
From every corner, dark-green shadows,
in ripples, comes towards me.
At any moment they may break over
me,
like the waves of pain each time I
remember
this separation from my lover.*

*This thought keeps consoling me:
though tyrants may command that
lamps be smashed
in rooms where lovers are destined to
meet,
they cannot snuff out the moon, so
today,
nor tomorrow, no tyranny will succeed,
no poison of torture make me bitter,
if just one evening in prison
can be so strangely sweet,
if just one moment anywhere on this
earth.*

The Rebel's Silhouette, Selected poems by Faiz Ahmed Faiz, translated by Agha Shahid Ali, University of Massachusetts Press, 1995, £7.78 and **The Unicorn and the Dancing Girl**, translated by Daud Kamal, Independent Publishing Company Ltd, 1988, £7.95 plus £1.99 sourcing fee. Both available on Amazon.

READER'S LETTER to The Socialist Correspondent

The recent British referendum on a change to the electoral voting system resulted in a heavy defeat for the Alternative Voting system. That defeat was called for by Calvin Tucker in an article "A vote for AV means a vote for Cuts" in our previous issue (The Socialist Correspondent Issue 11, Spring 2011). However, we thought this letter from Australia would still be of interest to readers.

Electoral Systems

A comment on Calvin Tucker's article on the dangers inherent in Alternative Voting. (The Socialist Correspondent, Spring 2011). I shall look at the British and Australian situation during the period 1900-2001, and the First Past The Post (FPTP) and Alternative Voting (AV) practices in those countries.

In Britain, during the period 1900-1935, Labour did not contest all seats, to a much lesser extent neither did the Conservatives nor the Liberals. During this period, an average of 12% of seats were returned unopposed at each election.

In the eleven elections between 1900 and 1935, Labour won an average of 21.8% of votes and an average of 17% of seats.⁽¹⁾

In the sixteen elections between 1945 and 2001 Labour won an average of 41.1% of votes and an average of 48% of seats.⁽²⁾

Since the wipe-out of the Liberal Party in the 1935 election, the two major parties (National and Labour in 1935, Conservative and Labour from 1945 onwards) both received a disproportionate amount of seats to votes won in each election, i.e., FPTP conditions discriminate in terms of seats won, against the smaller parties, during this period.

During the 20th century, Labour held office with a majority in their own right for fifteen years.

In the October 1951 election the Conservatives won 26 seats more than Labour (321 to 295) although Labour gained a higher percentage of votes.

Australian system

The British-Australian situations cannot be directly compared. Some characteristics however, may be worthy of mention. Australia has a higher rate of population growth from a wider ethnic and cultural background. Since 1911 it has been compulsory to register as a voter within a federal electorate. From 1924, voting has been mandatory.

Compulsory voting sometimes results in the number of spoiled ballot papers being greater than the majority held by the winning candidate. Voting is held for the 150 seat House of Representatives and the 76 seat Senate simultaneously. The Senate has multi-member electorates and a form of proportional representation. The Senate is seen as a "house of review".

During the decade after 1901 Federation, FPTP conditions assisted Labour in Australia. Its competitors were divided into Free Traders and Protectionists. In some seats, Labour needed little more than a third of the votes cast to be successful.

In the AV system, introduced in 1918, the National and Liberal parties (members of "The Coalition") can contest seats as rivals without splitting the non-Labor vote, and risking the return of Labor candidates. Labor

sometimes loses seats in which its candidates gain the most first choice votes.

In the 2007 election to the House of Representatives, 75 seats were decided clearly on the basis of first preferences alone. Of the remaining 75 seats, i.e. those where second and other preferences were counted, in 9 seats the candidate who secured a majority of primary votes failed to also secure an absolute majority after the counting of preferences.

It is worth noting that Labor won 8 of those 9 seats. It is now entirely hypothetical, but according to calculations, had the British House of Commons (FPTP) method been used in this election Labor would have won 75 seats, and may not have gained office. Instead, Labour secured 83 seats, and had a comfortable majority.⁽³⁾

Both FPTP and PV methods favour the major parties. The Proportional voting method for the Australian Senate gives smaller parties a better chance of winning seats. This is reflected in a significant number of Green Party members sitting in the Senate.

In the House of Representatives, between 1949 and 2007, there have been 24 elections. In each election Labor has been opposed by the two parties of the Coalition, namely the Liberals and the Nationals. In nearly all instances, the Coalition parties exchange preferences in order to keep Labor from winning.

Despite this preference arrangement, in these 24 elections, the average percentage vote for Labor after preference distribution is 44.3%. The average percentage of seats won at elections during this period is 45%. This close correlation of votes gained and seats won suggests that the electorate do not necessarily heed the advice to exchange preferences between Liberal and National parties, the two parties of the Coalition, and shut out Labor.⁽⁴⁾

In the 2010 Federal Elections in Australia, 729,304 votes out of 13 million votes cast were deemed to be informal – i.e. invalid owing to a numbering error on ballot paper or a protest at no candidate's policies being seen as satisfactory to the particular voter. The Head of the Australian Electoral Commission estimated that approximately half of the informal votes cast were indeed protest votes.⁽⁵⁾

Willie Anderson, Melbourne, Australia.

FOOTNOTES

1. Butler D and Freeman J, British Political Facts 1900-1967, 2nd edition, Macmillan, 1968, pages 141-2.
2. Clarke P, Hope and Glory, Britain 1900-2000, Penguin Books, Appendix pages 444-450.
3. Ward I and Stewart RE, Politics One, Palgrave and Macmillan, 2010, page 219.
4. Australian Electoral Commission, electoral pocketbook, cited in Ward I and Stewart RE, pages 222-223.
5. Interview on ABC Radio National, 17 April 2011.