WORKERS
www.workers.org.uk
FEBRUARY 2009 £1

NO THIRD RUNWAY

JOURNAL OF THE COMMUNIST PARTY

IF YOU WANT TO REBUILD BRITAIN, READ ON

WORKERS

Bye, bye, euro

AS THE EURO heads for parity with the pound, its supporters are coming back out of the woodwork. But the euro is the past, not the future.

A devastating French report published before the present slump revealed that Europe's biggest companies were planning 40 per cent of their investment outside Europe, adding to the notoriously high unemployment level in the eurozone.

The report, "Economic Policy and Growth in Europe", was produced by the think-tank Conseil d'Analyse Economique, chaired by Prime Minister Villepin. It stated: "economic integration has stagnated and no longer promotes growth". More: "The euro's creation has not produced the knock-on benefits expected…The inability of the EU to revive the economy turns investment away." It concluded: "The EU will have an ever-decreasing influence. Its chapter in world history will draw to a slow but inexorable close."

The European Commission itself recently forecast a decrease of EU share of world trade from 18 per cent in 2002 to 10 per cent in 2050, and a fall in share of world GDP from 35 per cent in 2004 to 14 per cent in 2050.

The present crisis of capitalism is reviving debate about the economic value of the EU to Britain and other independent countries such as Iceland. Will leaving cost jobs and trade? Is joining the euro a way out of recession? If we broke free, clawing back billions of pounds a year, could we set up a free trade agreement?

It is said that 3 million British jobs depend on membership, but this assumes that trade with the EU would cease altogether and ignores other trading partners. From 1999 to 2005 UK exports outside the eurozone grew 45 per cent faster than exports to the EU.

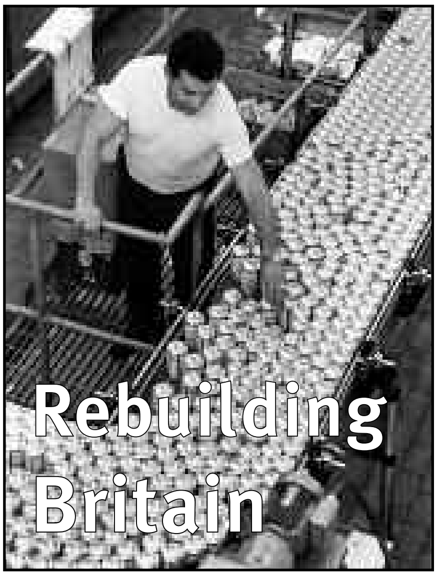
British business, using European Commission figures, says that the cost of EU red tape far outweighs the benefits. A Bruges Group study, drawing on sources such as the IMF, the World Trade Organization, EU and UK national statistics, says the total gross cost of the EU to Britain in 2008 was £65 billion: £28 billion for regulatory compliance, £17 billion in food costs due to the CAP, £3.3 billion lost fishing catch due to loss of waters, and £14.6 billion gross towards EU funds.

There is no net economic benefit to Britain staying in. Even Mandelson and Clarke know that the world's fastest declining bloc will drag Britain down. But they will let it – if the working class permits them to.

Cover photograph Andrew Wiard/www.reportphotos.com

WORKERS is published by the Communist Party of Britain (Marxist-Leninist)
78 Seymour Avenue, London N17 9EB
www.workers.org.uk
ISSN 0266-8580
Issue 123, February 2009

Contents – February 2009



Unions say no to third runway

DESPITE THE government announcement on behalf of big capitalist enterprises in favour of a third runway at Heathrow, a number of unions are to campaign for a sustainable high-speed rail alternative to serve the people of Britain. Integrated into a nationwide network, this would also help to bring together the people of England, Scotland and Wales.

Trade union support for a third runway is neither unanimous nor unequivocal. Calling for a new transport strategy, the rail unions RMT, ASLEF and the public service union PCS, for example, put the alternative case for investment in an integrated, publicly owned, high-speed network with a hub serving Heathrow.

This would reduce noise and pollution by cutting the necessity for thousands of short-haul flights (such as London to Edinburgh). It would create tens of thousands of jobs, including at the airport. It would free up existing space for longer-haul and intercontinental flights – people would not be forced to move from their homes.

The third rail union, TSSA, has also voiced its preference for rail over air travel. Only Unite, representing cabin crews and baggage-handlers, has shown more concern for European capitalist competition and as usual acted as cheerleader for the Government.

The Campaign for Better Transport last year pointed out that well over a third of flights from Heathrow are short-haul, that more than 20 per cent serve destinations already served by a viable rail alternative, and that 20 per cent more are to places where rail is the potential alternative. It also showed that where high-speed rail links have been opened there has been a significant switch from air to rail. Spain has seen a 20 per cent drop in passengers on domestic flights since its new high-speed rail network was opened.

There is no economic case for airport expansion, and the human cost is unacceptable, too. Over 700 people stand to lose their homes, children their schools, and whole communities are to be destroyed. Noise levels over central London disrupt concentration, communication, and healthy sleep on a daily basis, while for those living to the west the levels are already intolerable. The real possibility of an air disaster over this densely populated city was brought home recently by the bird strike over Manhattan. But London has no equivalent of the long straight Hudson river on which to ditch a plane.

With a new mood in Britain to rebuild industry along modern, clean, safe and efficient lines, the government should now invest public money directly in an electrified high-speed national rail system, not in the black hole of the global banking credit system or the insatiable pockets of profiteering companies. Backed up by action, the will of Londoners and the rail unions can yet prevail. The sooner Brown's Heathrow "announcement" is kicked into the long grass the better.

If you have news from your industry, trade or profession we want to hear from you. Call us or fax on 020 8801 9543 or e-mail to rebuilding@workers.org.uk

TRADE GAP

Another dismal record

BRITAIN'S TRADE gap in goods with the rest of the world reached a new record last November. The deficit was £8.33 billion, the Office for National Statistics said, up from October's figure of £7.63 billion.

Manufacturing output has now fallen for nine months running. It fell in November at its fastest pace since 1981. Output was 7.4 per cent lower than a year earlier – the biggest drop since June 1981.

The collapse in world demand means that the cheaper pound is not making our exports sell. Even orthodox economists are calling for more state action to aid the economy. Paul Dales, an economist at Capital Economics, said, "The pound is now about 30 per cent below its peak. But with global trade flows subdued, this is unlikely to make much difference, at least in the near term. Overall, with the external sector so weak, policymakers will need to do much more to stimulate domestic activity."

AFGHANISTAN

No more troops, says poll

ANY ATTEMPT by Barack Obama to get EU members of NATO to send more troops to Afghanistan will be strongly rebuffed by voters throughout Europe.

An FT/Harris poll on 19 January showed that 60 per cent of German respondents said they would not wish Berlin to send more troops to Afghanistan under any circumstances. In both France and Italy, 53 per cent of people said their countries should not send troops. 57 per cent of British respondents rejected calls for any more British troops to be sent.

EUROBRIEFS

The latest from Brussels

Treaty twisters

IN A DEBATE in the House of Lords on the Lisbon Treaty, Foreign Office Minister Lord Malloch-Brown confirmed that the "reassurances" to be offered to the Irish "do not change the Lisbon treaty". He went on to say, "Ireland sought and has received guarantees, but the treaty has not been reopened. In that regard, it is a referendum on the same treaty as before."

Malloch Brown denigrated the "undemocratic" Irish for blocking the "aspirations" of the 24 countries, including Britain, who approved the Constitution without holding referenda. He of course was not elected by anyone.

Czech PM and current EU President Mirek Topolanek is hedging his bets. He admitted that the Treaty is "the same as before" (the rejected European Constitution) and that forcing national parliaments to ratify something people haven't voted for is "absurd". But he justified signing the treaty because he negotiated and approved it.

Euro economics

COMPUTER COMPANY Dell announced on 8 January it would cut 1,900 jobs in Ireland, and move its manufacturing base to Poland. The Polish government used a 50 million euros aid package to attract Dell to move away from Ireland.

Under Latvia's loan agreement with the EU, public sector wages and public services are to be slashed, and VAT rates increased. No wonder there have been huge demonstrations against the government.

Euro fuel

THE EU says that by 2020, 20 per cent of our transport fuel should come from biofuels. To grow this amount in Britain would consume almost all our cropland. Instead Malaysia and Indonesia grow palm oil, and Brazil grows ethanol. Result: destruction of farmland in Malaysia and Indonesia and rainforests in Brazil, and increased net carbon dioxide emissions.

Even so the EU insists that biofuels are the answer. In the past year, the growth in biofuels has taken 100 million tons of cereals out of food supplies and into car fuels. Result: increased food

Photo: Andrew Wiard/www.reportphotos.com

The Plane Stupid campaign marching to Sipson village last year. See article, page 3.

Lloyds TSB in jobs massacre

A FORECAST of 40,000 job losses arising from the takeover by Lloyds TSB of Halifax Bank Of Scotland banking services: that's what is now emerging as the real nature of the "lifeline" thrown to HBOS. A fifth of the branches of the merged bank – more than 600 – are expected to close.

Whether the 300-year-old Halifax element of HBOS will survive as a regional centre employing over 6,500 staff is now up in the air. For Lloyds TSB to maintain the support of its ever-greedy shareholders, the bank must (it says) reduce annual costs by £1.5-2 billion per annum. This can only be done by sacrificing people and jobs.

Lloyds TSB has already disposed of its Australian business and is looking to sell its Irish bank. In the great depression of the 1930s the number of banks in the USA dropped from 25,000 to 10,000 between 1929 and 1933. Some 12,000 of these closures occurred in a 10-day period. Lloyds TSB, Barclays, HBSC etc: watch this space!

The reconfiguration of banking has to be seen in context: the big four British banks look more likely to become two. This reconfiguration is being underwritten by the government, but as state capitalist monopoly working in no one's interest bar those of capitalist institutions.

But that is the history of all nationalisations in Britain – steel, rail, coal, energy, and so on – all came into being when capitalism in extremis and usually war could not leave them to survive just by market forces alone.

ENERGY

Plan for new nuclear stations

GERMANY'S TWO largest power companies, E.ON and RWE, have announced a plan to build at least four nuclear reactors in Britain, at an estimated cost of £20 billion. The plants, the first of which is set to enter service within ten years, will provide at least six gigawatts of new generating capacity, 8 per cent of the generating capacity of all our existing power plants.

E.ON and RWE are expected to propose building at Wylfa, on Anglesey, where RWE has recently been granted approval for a connection to the National Grid, and at Oldbury, beside the River Severn in Gloucestershire, where E.ON has obtained similar permission.

The 50:50 joint venture would also explore the possibility of building reactors on other nuclear sites. These could include former British Energy sites such as Bradwell in Essex and Dungeness in Kent.

With 25 gigawatts, a third of Britain's energy-generating capacity, due to expire by 2020, this is good news for British workers and for British industry. But it is only the first, indispensable step towards energy security for Britain.

WIND POWER

The blades stood still

ELECTRICITY generation from Britain's wind farms fell by between 95 and 100 per cent in December and early January. This was due to the stunning fact that it was too cold. The technology could not work in the sub-zero temperatures and climatic high pressure reduced wind power to zero.

The idea of relying upon supposedly renewable sustainable wind and insecure energy generation has been further undermined. Britain is to rely upon wind and solar generation for 20 per cent of electricity generation by 2020. But all the hot air of Downing Street, the Greens and the EU cannot warm a shivering Britain.

The dependency of Ukraine and other countries on Russian gas supplies highlights the danger of our government having no credible energy policy. Britain needs mixed energy sources – nuclear, fossil (with clean coal technology) and renewables as a reserve without polluting Britain's coastal and geographic beauty with useless turbine towers.

Teachers fight academy plan

TEACHERS IN the NUT and NASUWT are due to strike for two days on 28 and 29 January at The Royal Docks Community School against Newham Authority's proposal to impose academy status. Meanwhile, the Authority has indicated that the academy sponsor for the school is to be ARK, an American and British sponsor run by a group of billionaire and multimillionaire merchant bankers, hedge fund operators and currency speculators.

The East London staff first learned of this when ARK rang the acting head teacher to inform her, though it was to be some time before Newham Authority confirmed it.

In school meetings during September 2008, Authority spokespersons reassured staff (to lessen opposition to the proposal – a forlorn hope) by saying it would find a "good" sponsor. If ARK is good, one hates to think what a bad one might look like.

The findings of initial researches about ARK have not been reassuring. First on the list of ARK's corporate sponsors is Aspect Capital. Aspect funds are (according to its website) "organised as exempted companies incorporated with limited liability in the Cayman Islands, the investment activities of the funds are not regulated or otherwise overseen by the Caymans Islands' government or any other regulator". Rather than avoiding tax, perhaps this body should be paying it to the government which could then provide funds for all state schools to be rebuilt or refurbished.

Is ARK the type of role model judged suitable and appropriate by the Authority to run a school? It is banks, hedge funds and financial speculators that have brought the British economy and world economy to the brink of ruin. Are we really expected to have our state schools with their multimillion pound assets and publicly funded running costs handed over to these people to run as a private concern? ARK has a poor reputation for management–employee relationships and countenances no interference whatsoever in the way it operates, ignoring the councils it has taken schools away from. Reassurances that the Authority would insist on certain practices from the sponsor are hollow.

Also noteworthy is that some of ARK's schools have fallen below the government's National Challenge exam achievement targets (aimed at piling pressures on schools with challenging intakes of students) too, as Royal Docks did. Yet no punitive action has been taken against them, which indicates that ARK will not be an instant panacea, waving a magic wand over the links between poverty and educational performance in the borough. It also shows that the academy project is a politically driven, privatisation agenda utterly devoid of educational content.

It is not too late for parents, residents, teachers and all connected with the Newham education service to raise voices and concerns to put a stop to this worrying development. There has been no consultation, no debate, no parental involvement over the question of an academy or ARK. It has been a fiat from the Authority and the executive mayor. Local discussions are taking place to hold public meetings and a possible borough-wide "Stop the Academy" demonstration in March.

• Derby Council cabinet voted in January to abandon its plans for an Academy to replace Sinfin Community school. This is a significant victory for the determined campaign run by teachers and parents, involving seven days of strike action by NASUWT members, one of those a joint strike day with the NUT.

WHAT'S ON

Coming soon

FEBRUARY

Thursday 12 February

Beyond Brown – What Next?

7.30 pm, Conway Hall, Red Lion Square, London WC1R 4RL. Nearest tube Holborn.

Organised by the CPB-ML and WORKERS magazine. Capitalism has no idea about how to get out of the crisis that it has so carefully nurtured and which threatens to take us all down with it. Only the ideas of Marxism can offer an analysis and indicate a way forward. Want to discuss ways forward for the British working class? Come to the meeting. Join the future.

All welcome. More information at http://www.workers.org.uk.

Wednesday 25 February

House of Commons Council Housing Group – Enquiry

12 pm to 5pm (evidence gathering), 6pm to 8pm (meeting), House of Commons, London

Defend Council Housing is urging tenants' organisations to attend the enquiry and give evidence about the state of council housing. The results of the enquiry will be presented to the housing minister, Margaret Beckett. For more information, see www.defendcouncilhousing.org.uk

MARCH

Thursday 5 March

Hard Times and Hard Travellin' – the story of Woody Guthrie

7.30 pm, Perth Museum & Art Gallery, George Street, Perth

A fundraising event for the Perthshire International Brigade Memorial Fund. Sung and spoken by Will Kaufman, reader in English and American Studies at the University of Central Lancashire. Tickets £5, passionariabooks@blueyonder.co.uk

Saturday 8 March

Sharia Law, Sexual Apartheid and Women's Rights

6 pm, Conway Hall, Red Lion Square, London WC1R 4RL.

Organised by the One Law for All Campaign against Sharia Law in Britain. Earlier, as part of International Women's Day, the campaign is organising a "symbolic demonstration" in Trafalgar Square, 3.30 pm to 4.30 pm. More info from www.onelawforall.org.uk.

The spread of measles

ON 9 JANUARY Britain's Health Protection Agency announced its concern over a possible epidemic of measles, on the back of figures showing over 1,200 cases reported to the agency up to the end of November 2008.

As Dr Mary Ramsay, an immunisation expert at the agency, pointed out, measles "is a very serious infection as it can lead to pneumonia and encephalitis, even in healthy children". It is also highly infectious.

Measles vaccination dropped off in Britain with the unjustified scare over the triple MMR (measles, mumps, rubella) vaccine in the late 1990s. The lack of take-up was helped by a vocal anti-science, anti-medicine lobby. It is this social irresponsibility and backwardness that has led to the levels of measles we are now experiencing.

Even now, with uptake of vaccinations rising, the number of pre-school children receiving both doses of MMR by their fifth birthday is 77.9 per cent. (Uptake of one dose by age 2 is higher, at 84.5 per cent, but children need both doses to be properly protected.)

Not in Cuba

It doesn't have to be like that. Since 1993 Cuba has remained free of measles, a disease that has yet to be eradicated in Europe due to currently insufficient rates of vaccination.

The *Granma* newspaper reported on 15 January that Cuba's achievement is the result of its immunisation action, which started in 1971. This is part of a national vaccination programme that includes 11 vaccines to protect the public from 13 diseases.

Over 98 per cent of all one-year-old children, as well as all six-year olds, receive annual immunisations against measles. Marlén Valcárcel Sánchez, the national head of the Ministry of Public Health vaccination programme, said periodical follow-ups are carried out.

According to *The Lancet*, a study done in 32 European countries revealed that over 12,000 cases of the measles were reported between 2006 and 2007 – mostly in Romania, Germany, Britain, Switzerland and Italy.

Jacques Kremer and Claude Muller, both from the World Health Organisation (WHO), said the importation of the virus from Europe has caused several outbreaks in Latin America. The WHO officials pointed out that the rich countries must start a comprehensive vaccination programme so the disease will not affect poor nations.

They pointed to the examples of the lacklustre vaccination programmes in Germany (which covers less than 70 per cent of the children), and in Italy (which attends to less than 90 percent of the children). To eliminate measles a programme has to cover at least 95 per cent of the target population in two doses.

The horrific bombing of Gaza demands a clear response...

End Israeli oppression

THE HORRIFIC attacks on the Palestinian population of Gaza by the Israeli military demand new clear thinking about this 60-year-old problem. We now have a scenario in which anyone who criticises Israel is branded anti-semitic by the Zionists and anyone who doesn't shout "We are all Hamas now" is branded as a Zionist by the "left". Well we are not anti-semitic and neither are we all Hamas now. This kind of logic is the same as calling someone who criticises mass immigration a racist. We are British workers and we have responsibilities to our class but we also have a duty of solidarity to those workers who struggle against the effects of British government policy.

We should start from the premise that the United Nations made a mistake in 1947 when it decided to partition Palestine, creating two states out of the British mandated colony, one of which would be exclusively for followers of a particular religion most of whom didn't live there. It did not even bother to consult the people who did live there.

Britain was largely responsible for this decision because our government had promised, through the Balfour Declaration in 1917, a "national home for the Jews in Palestine". But the British and French governments had simultaneously promised the Hashemite family "lordship" over the region in reward for their support in the imperialist Great War.

To add to this duplicity, the governments in London and Paris, aware that vast oil reserves lay beneath the sands of the Middle East, carved up the remains of the defeated Ottoman Empire into new, weak, semi-colonial states, many headed by feudal rulers who were guaranteed backing so long as the oil flowed.

Divide and rule

The foundation of the Zionist state, though nominally opposed by our government, suited imperialist ambitions very well: it would be a handy agent of imperialism and, above all, would pose the easy issues of Israeli against Palestinian, Jew against Muslim, and enable the real issue of the class struggle by workers throughout the Middle East against the capitalists and feudal lords to be dodged. Their dilemma is really no different from that of the British working class: there is no avoiding class struggle.

So there we have it. Israel was born terrorising its Palestinian population and continues to do so. It has its strong armed forces, funded by the US, and still wants to expand its territory. It should be able to negotiate with Hamas or anyone. It simply chooses not to, and to ignore UN Security Council resolutions or mediation.

Israel has no intention of agreeing to a two-state solution because it wants those borders. Its current method is to continue to build new Jewish settlements and create facts on the ground. They've probably written off Gaza and so are happy to blockade it and turn it into something comparable to the Warsaw ghetto, despite the fact that under international law, Israel has responsibility for the welfare of the people living under its occupation.

What of the Palestinians? Most of those driven off their land were forced to seek refuge in neighbouring countries. More were driven out in the 1967 war, some for the second time. The refugees organised themselves in the camps and demanded the right to go home to their land, and many still have the deeds to the land. They are not like those

Photo: Cherry Howes

Demonstrating against the Gaza massacre in London, 10 January.

"refugees" who travel half way round the world to settle in Britain or some other wealthy country. They do not disappear into some foreign city's black economy. They are an honourable people. Every child knows the name of the village that their family was evicted from at bayonet point.

The Palestinians living in the West Bank have been reduced to hopelessness. Israeli checkpoints prevent their travel, unemployment is sky high, Israeli settlers divert their water supply from their farms, their olive trees are uprooted and their houses demolished as punishment, their organisations, especially trade unions, have been destroyed and the people have been dehumanised. They wonder what the point of the struggle is given the scale of Israeli retribution. They are shot, their houses broken into and they are being surrounded by a wall, which is also taking more of their land away.

After the elections in Gaza, Hamas MPs were jailed and Gaza blockaded by Israel, with US support. They were then told that Israel and the US would only negotiate with friendly Palestinians and not with their enemies. In Gaza life is hell, like living under a medieval siege amid the rubble.

Israel has washed its hands of Gaza but has locked the Palestinians who live there in a dungeon. There is little sewage treatment, no electricity (Israel bombed the power station), and the rest of the world can only feed, clothe and provide medicines to its people at the whim of the Israeli military. They are bombed and shelled and massacred again in their hundreds. Small wonder there is increased religious fantasy, doubtless a source of delight for the Israeli government.

Resistance and oppression

Gazan resistance is ineffective except in bringing more intense oppression, while the West Bank has only its hope for the two-state solution, feeling that Gaza and the West Bank will never be allowed to form an effective state.

Israel is wholly dependent upon US aid for its survival, let alone its military adventures. The US could stop this conflict at once, but finds it too useful as a method of keeping the whole region backward and compliant as a source of oil. It remains to be seen if the new Obama administration will continue this divisive and destructive policy. The UN must find ways to exert more pressure upon it to change. Only then will Israel cease to show such utter contempt for the UN demonstrated by its shelling of UN schools and supply depots in Gaza.

If Israel does not agree to a two-state solution based on pre-1967 borders and return of refugees in good time, the concept might be abandoned. The UN, which created the problem in the first place, should take responsibility and uphold the secular demands of the Palestinians.

The Palestinian Liberation Organisation, led by Yasser Arafat, was a secular movement, formed to fight for the interests of all Palestinians regardless of religion. Now that struggle has split, into the still secular Fatah and Hamas, a narrowly Islamic organisation, weakening the potential for change.

But sooner or later, the solution will have to be a secular one – for all sides.

Agriculture is one of our great national assets. Our grass grows envy, and we are surrounded by sea. And food is something ever

The ‘free market’: farming’s road to ruin

British farms: crippled by the European Union’s Common Agricultural Policy and a government here that doesn’t care what is grown.

WALK INTO a supermarket in Britain, and you’re often hard pushed to find fruit and vegetables grown this country. Depending on the whims of the global market, even British onions can be hard to find. Instead, we are presented with lettuces from Spain, beans from Uganda or Guatemala, strawberries from the USA. The only constant is that prices just seem to go up all the time.

And how they go up! In the year to March 2008, according to figures compiled by the Bloomberg news agency, world corn prices rose by 31 per cent, soya by 87 per cent and wheat by 130 per cent. Prices for rice, said the UN’s Food and Agriculture Organisation, went up 74 per cent over the same period. In the first nine months of 2008, urea-based fertiliser increased in price seven-fold.

This should be a time of opportunity for British agriculture to rise again, providing us with fresher, safer food with much lower transport costs and associated pollution. So what is happening?

National asset

In a Britain dominated by the banks, agriculture gets short shrift. Yet it is one of our great national assets. Including rough grazing, we have 18.6 million hectares of agricultural land (440,000 of them idle under the EU’s “set aside” policy), our grass grows 11 months of the year, we have rainfall that most countries would envy, and we are surrounded by sea. And food is something everyone needs.

“In a Britain dominated by the banks, agriculture gets short shrift. …”

Yet in 2006, agriculture’s contribution

11 months of the year, we have rainfall that most countries
ryone needs. Trust capitalism to find ways of wrecking it...

to GDP was estimated at a mere 0.5 per cent. The once-independent National Union of Agricultural and Allied Workers has long been subsumed into the T&G/Unite, its Headland House headquarters in London now occupied by the National Union of Journalists – there's a metaphor for modern Britain.

The number of British universities offering courses in agricultural sciences is dwindling. Just recently, at the end of January, a report from the Royal Society of Chemistry and the Institute of Chemical Engineers warned that efforts to improve food production and use were threatened by a shortage of properly qualified scientists and engineers, which "could harm the nation's food industry and its capacity to deliver".

For years, the government has taken its standard view on food: the market will provide. The government has ignored agriculture, urged on by large landowners who want to be free to employ migrant labour and grow whatever makes the most money, and to sell land off for inflated prices to property speculators. After all, what is agriculture compared with the City?

The T&G/Unite estimates that there are around 135,000 workers in agriculture

Continued on page 10

EU pesticide diktat threatens crops

If the European Union has its way, it might not just be hard to find a British onion – it might be impossible. The EU is pushing to ban a number of pesticides under the guise of health and safety.

The consequences will be soaring food prices in Britain, and increased mortality from insect-borne diseases such as malaria in tropical countries.

A study by Sean Rickard from Cranfield University estimated that a ban on 15 per cent of the number of permissible pesticides – which is what the EU is trying to push through – would lead to a doubling of farm gate prices for cereals, potatoes and brassicas such as cabbage.

Note that it is not a question of permissible levels. The EU is pressing for an outright ban. The consequence, according to an impact assessment published in December by Britain's Pesticides Safety Directorate, would be "to remove the foundation-stone of control programmes on wheat against septoria [a fungal disease that causes leaf spot] with potential for substantive yield losses".

And not just wheat. "Loss of some herbicides would seriously affect weed control in some crops such as carrots, parsnips and onions," the report says. In fact, a study by the University of Warwick predicts a 30 per cent fall in wheat production and the possible disappearance of root crops such as carrots and onions.

Any trace amount of pesticide found – at whatever minuscule level – will mean that a crop cannot be sold. The result could be devastating, and not just for British agriculture. A Ugandan website, The New Vision, reported in January: "Just two years ago, Uganda had to stop spraying tiny amounts of DDT on walls inside houses in a highly malarial region because of exporters' fears that their crops would be (illegally) rejected by the EU—fears fanned by EU representatives' statements in Uganda."

The site goes on to report that many insecticides used against diseases such as dengue and malaria are threatened by the EU legislation. Pyrethroids, widely used in the treatment of bed-nets, could be banned, even if derived from the chrysanthemum and therefore "natural".

Professor Sir Colin Berry, Emeritus Professor of Pathology at Queen Mary College, University of London, has slated the plans. "The costs of implementing this legislation will be high – crop yields will fall, food prices will rise, more land will have to be farmed and fewer habitats conserved. But it is hard to imagine what the benefits will be," he said.

Berry continued: "The idea of chemical-free farming is absurd and dangerous. This legislation will not improve human health – the European Parliament's document in support of the legislation is simply an apologia for a position, not a scientific review."

The Pesticides Safety Directorate says the ban could "ultimately render conventional agriculture as it is currently practised unachievable". But under existing EU regulations, Britain has no veto over this disastrous legislation.

Continued from page 9

in Britain, with another 20,000 in horticulture and several thousand in forestry. Yet the claimed membership of the union's Rural, Agricultural and Allied Workers' trade group is just 16,000.

During the Second World War Britain was basically self-sufficient in food – it had to be. But now we have balance of payments deficits of £3.165 billion in meat alone (2006 data), £1.135 billion in dairy, £978 million in fish, and £320 million in cereals. In fruit and vegetables, the deficit was a massive £5.392 billion.

At current prices, Britain's overall balance of payments deficit in food of £8.334 billion in 1999 ballooned to £14.330 billion in 2006. And Brown talked about no more boom and bust!

Going cheap?

The global rise in food prices was big news before the credit crunch kicked in. Commentators (no global shortage of them) appeared with coloured graphs to "prove" that prices had actually gone down since the early 1970s – a period carefully chosen, since the early 1970s saw an artificial surge in prices similar to the rise we saw last year.

"The long era of cheap food is over," said BBC international development correspondent David Loyn at the end of May 2008. Shoppers not just in Britain but all around the world would have been mystified to read such stuff. Food is not cheap – there are just varying levels of expensiveness.

For the 920 million people who the UN Food and Agriculture Organisation said were going hungry before the price increases, all food is expensive. For the poorest people in cities, who can spend half their income on food, all food is expensive – according to the World Bank, 1.4 billion people subsist on less than $1.25 a day.

As it turned out, the sensational increases in food prices were not the result of some natural law of rising prices. They came from speculation: capitalists gambling on rising prices were buying up harvests that had yet to be sown. As the frenzy grew, farmers joined in, in some cases withholding grain in the hope that next week, next month, the price would go higher.

"If Britain is to ensure a steady supply of fresh, affordable and safe food for its people, it must take control of its own agriculture and fisheries…"

That particular bubble has now burst, but prices have yet to subside. Verdict, the leading British retail analyst, reported in January that food inflation in Britain in the 12 months to the end of December 2008 hit 11.9 per cent.

And with meat and fish up 17.7 per cent and fresh fruit and veg up 16.8 per cent, what price healthy eating, especially for those on lower incomes?

What Britain needs

Even in its present diminished form, agriculture represents something Britain desperately needs: a real industry, a real economy, real products. What we've had is too much fizz. As the long financial bubble bursts, we can see exactly what the banks have contributed to the economy over the past decade – less than nothing.

Now that the banks are sucking in public money at jaw-dropping rates (in the last three months of last year, £2,000 for every man, woman and child in the country), what Britain urgently needs is industry that creates real, usable value. And what better industry than agriculture and fisheries, whose end products keep us all alive?

Instead of being a huge net importer of food, we could feed ourselves to a large extent. That, after all, is what Britain managed during the Second World War. That, however, would need a national plan, planning is anathema to this government.

Our ability to plan is not in doubt. The Royal Society of Edinburgh, for example, published a report in September last year called "The Future of Scotland's Hills and Islands" which dealt authoritatively and succinctly with the issue.

"A new approach based on an explicit policy of achieving rural community viability is required," it said, "that co-ordinates and integrates social, economic and environmental measures for rural areas; and empowers communities to use their initiatives and deliver outcomes within an overall national strategy."

This attitude, says the Royal Society of Edinburgh, is in marked contrast to the government's approach, which is actually to abolish direct support for agriculture when the EU's Common Agricultural Policy is reviewed in 2013.

Out of the EU!

We cannot do what is required without independence from the European Union, which has always looked enviously at Britain's agriculture and fisheries. The average British farm is 57 hectares, as against an average for the EU of 20 hectares. Large, relatively efficient farms dominate: according to UK Agriculture, around 14 per cent of all farms account for over 65 per cent of the agricultural area.

Above all, people in Britain need to talk about the "S" word: sovereignty. We need to be able to control our own country, and that includes being able to determine what we will grow, how we will grow it, where we will sell it, and what price to sell it for. The first two the EU claims the right to dictate to us. The last two it will not allow governments to decide for themselves: the market must rule.

The unmistakeable conclusion is that if Britain is to ensure a steady supply of fresh, affordable and safe food for its people and a proper balance in its environment, it must take control of its own agriculture and fisheries. And there is only one way to do that – Britain must decide to leave the European Union.

With a growing trend for treating people outside their own country, 'patient choice' is being touted by the EU as a solution to national problems...

Healthcare tourism is not the answer

IS HEALTH-CARE tourism to replace adequate healthcare provision? There has been much in the news recently about what is becoming known as cross-border health care – the growing trend for people to be treated in a country other than their own.

Not only has the tabloid press spotted the issue, but the European Commission is proposing a directive on "the application of patients' rights in cross-border health care". At present the House of Lords Select Committee on the European Union is looking at this directive and Britain's largest health care trade union, Unison, has sent in its own response.

One of the first things this response does is to put the issue into context. At present the number of people actually receiving care abroad is at very low levels; the EU's own figures confirm that only 4 per cent of Europeans received medical treatment in another member state of the EU in the year before June 2007. But the directive is explicit in its desire to go beyond what it describes as patients' rights. Article One of the directive states that it "establishes a general framework for the provisions of cross border health care" and there are repeated references to the "international market for cross border health care".

Within the directive the patient has the right to reimbursement of costs and treatment abroad regardless of the types of provider of that treatment, public or private. This brings up what Unison describes as "the ugly prospect of the UK's publicly funded NHS having to reimburse private providers in foreign countries". It has even been suggested that this could lead to private European health providers being given a place on the NHS "choose and book" system ("choose and book" is the NHS method of booking appointments in primary and secondary health care).

Encouraging private providers

Unison notes in its submission that this market, should it develop, will have the hallmark of those markets already established in health care. These encourage private healthcare providers to choose to treat the most profitable patients and conditions, rather as is the case in America, but to ignore other more problematic and unprofitable ones.

As is usually the case, the coverage this matter has received has not been especially profound in the British media. The fact that people will have to pay up front, and then claim back health care costs, will mean that only those rich enough to stump up the cash in the first place will be able to participate.

Also, the directive makes provision only for the reclaiming of the cost in the patient's own country, making it unlikely that patients in poorer countries will be able to gain much in coming to countries such as France and Britain whose health care systems, while excellent, are more expensive than say Bulgaria's or Latvia's.

There are myriad additional administrative problems associated with the cost of travel, the length of overnight stays, the acceptability or otherwise of prescriptions, and the culpability of individual health care professionals.

The bottom line is that this directive is not to do with enhancing or improving the health care that is available to workers in Europe's various countries.

As Unison concludes in its submission to the House of Lords Committee looking at this matter, "Unison believes that far from its stated desire of reducing inequality, the directive would do precisely the opposite as it seeks to further the expansion of European health care markets under the guise of boosting patient choice. Furthermore, the directive is unrealistic and if implemented would have a detrimental impact on the NHS. The directive is also a missed opportunity to assert the fundamental right of patients to receive health care within Europe."

Quelle surprise!

Two senior UN economists have exposed the economic simplicit decades. Protectionism does work. The free market is not the an

Read the history: Yes, barriers on free trad

THE "STABILISE, liberalise and privatise" mantra has been imposed on developing countries by international financial institutions since the 1980s. But it has not gone unopposed. A fascinating book* written by two senior UN economists explodes the myths behind the mantra.

The book argues cogently against a universal model of development, which alone is well worth studying. But of more pressing interest for readers in countries such as Britain, they condemn the economic simplicities of market fundamentalists so much in vogue in recent decades – highly pertinent in our contemporary situation.

Huge economic shifts have occurred in recent decades, resulting from key international policies since the late 1970s to "reduce national interference and liberalise trade, liberalise financial flows, cut welfare provision, use unemployment as a policy tool, shift the distribution of income back towards profits, encourage the withdrawal of the state from the economy and dismantle the post-war political and social compromise." Policies clearly designed to make international capitalism freer and fatter.

The book observes that "Traditional borders between nations, disciplines and occupations are seen as vestiges of a passing era and obstacles to modern efficient structures. The call invariably is to cast aside old institutions and loyalties and to embrace the new challenges and opportunities of a globalising world."

"A major flaw in the scenario of a world without borders is that it ignores the resilience of the nation state…"

Capitalism propagates the sense that globalisation is somehow akin to an irresistible force beyond the control of governments and that states should adapt by relinquishing economic sovereignty to mobile capital.

One economist cited points out that the ideology of globalism was spoken for largely by tenured professors of economics and management while being led by private sector technocrats working for large joint stock companies that were rarely owned by blocks of active shareholders. An interesting footnote quotes the view of a poor Jamaican banana farmer: "Globalisation seems like a system where the man with the power uses a big stick to put the man without power in his place."

The authors define globalisation "as a political project aimed both at extending the sway of free markets on a global scale through a singular set of economic policies to be adopted by all countries regardless of their circumstances and at ceding direction over an increasing area of policy-making (and the public realm generally) to business leadership and the values of the marketplace."

The book proceeds to undermine in detail the market fundamentalists' claim of a single path to successful development and its one-size-fits-all approach, which is an informative study but beyond the scope of this review to comment on in detail. But one particular piece of evidence they provide is of great relevance to both developing and developed nations, and needs recounting.

The chapter entitled "The greatly exaggerated death of the nation state" opens with the reflection that "A major flaw in the scenario of a world without borders is that it ignores both the resilience of the nation state and the fact that the economy is not an entity [complete in itself] but a component of a larger political and social reality, a reality from which the market economy draws its legitimacy rather than the reverse."

Regulation is the norm

The authors go on to dismiss the idea that free markets are self-regulating: on the contrary "regulated markets are the norm." They take issue with the idea that liberalisation and free markets are the answer and admit there is little consensus as to the key determinants of economic growth; why development takes off in some countries and fails in others. They make a thoughtful aside that had the neo-liberal approach been enforced on the East Asian countries during the 1950s, 1960s and early 1970s, then there would not have been the so-called East Asian economic "miracle".

The second chapter holds a jewel of historical insight, which analyses economic integration before World War 1 and concludes that the expansion of trade in this period was not the result of sustained liberalisation policies, contrary to the conventional wisdom of bourgeois economists. Tariffs protected major

Join the debate on the way out of the crisis

PUBLIC MEETING

Beyond Brown – What Next?

Thursday 12 February, 7.30pm, Conway Hall, Red Lion Square, London WC1.
Nearest tube Holborn.

A public meeting organised by WORKERS and the CPBML. Capitalism has no idea about how to get out of the crisis that it has so carefully nurtured and which threatens to take us all down with it.

Only the ideas of Marxism can offer an analysis and indicate a way forward.

Want to discuss ways forward for the British working class? Come to the meeting. All welcome.

ies of market fundamentalists so much in vogue in recent
nswer...

e can stimulate economic development

Photo: Andrew Wiard/www.reportphotos.com

Free trade anybody? The closure of Woolworths before Christmas illustrated the depth of the free market disaster.

industrial development. "Coinciding with the start of European liberalisation, and accelerating after the North's victory in the Civil War, the United States' economy began its period of catching-up growth behind rising tariff barriers; from 1866 to 1883 import duties averaged 45 per cent for manufactured goods, with individual rates ranging from about 25 per cent to around 60 per cent."

During the three decades up to World War 1, protectionism was the dominant policy trend across the developed world, becoming particularly pronounced from the early 1890s, although there were some signs of easing in the years just prior to 1914. By 1914, all the larger industrialising countries were protectionist and even some of the smaller European economies such as Sweden had moved decisively in this direction. After the 1890s, Japan also provided tariff protection for its infant industries.

This protectionist trend was weaker in most developing regions, particularly where trade was organised under colonial rule. Most colonies were forced to accept free entry of goods. In the nominally independent states of Latin America, the Middle East and East Asia, western pressure in the first half of the 19th century imposed on most of them treaties which entailed the elimination of customs duties.

But the lower-tariff story was not a universal one. For political reasons, the self-governing colonies (such as Canada, Australia and New Zealand) were not forced to open up, and they used their greater independence to protect infant industries. Also, in the second half of the 19th century, in Latin America tariffs rose steeply such as in Colombia, Brazil and Uruguay.

Troubling for the market fundamentalist cause is the fact that the protectionist drift did not have an adverse effect on economic growth and, if anything, seems to have stimulated it. The period of trade openness from 1860 to 1879 coincided with a slowdown in the growth of both output and exports. Significantly, the subsequent move towards protectionism coincided with a period of more rapid rates of growth of both output and trade: during the 20 years following the reintroduction of protectionism, output increased by more than 100 per cent and the volume of exports by more than 35 per cent. The myth of successful economic growth due to a liberal cosmopolitan trade order before 1914 is destroyed by this historical evidence.

Today when the voices of globalisation are still strident and when workers in Britain need to find a way to rebuild our economy, it is extremely useful to know about earlier times and previous experiences when state barriers on trade and state encouragement of local industry (even in capitalist countries) have played a key part in stimulating economic growth and social cohesion.

***The Resistible Rise of Market Fundamentalism: Rethinking Development Policy in an Unbalanced World by Richard Kozul-Wright and Paul Rayment, paperback, 374 pages, ISBN 978-1-84277-637-7, Zed Books, 2007, £19.99**

The same economists who failed to see the credit crunch are tal the money supply – "quantitative easing" in the new jargon. A l should indicate why this might not be such a brilliant wheeze…

Running out of ideas? Print money!

WHEN ALL else fails, print money. How economics is too important to be left to capitalists – and that workers will always pay the bill – is well illustrated by events from over 80 years ago, in the period just after the First World War.

The European belligerents had massive debts as a result of the war. The USA became a creditor country for the first time in its history. Inflation flourished everywhere with prices more than doubling in Britain, Germany and even in neutral Denmark. The German government owed 153 billion marks, mainly in the form of war loans from its own population.

The fledgling Weimar Republic attempted to recover the cost via taxation but capital fled abroad, despite export controls, or found other methods of avoidance. With the decline in industrial production more money was printed to pay for much needed imports. The real purchasing power of the mark fell to one third of its pre-war value by the middle of 1919 and to one eighth by the end of the year.

The victorious allies were determined to make Germany pay the full cost of the war. France, in particular, wanted to make sure that the German economy would be so saddled with debt that Germany would never be a threat again and ideally wanted to see the break-up of the Reich.

The results of "quantitative easing": a 50 billion mark stamp from 1920s Germany.

Keynes, a member of the British delegation to Versailles, wrote a book in 1920 predicting the disastrous economic consequences of the Allies' policy. In May 1921 reparations were fixed at 132 billion marks. Germany was to pay 2 billion marks a year plus 26 per cent of the value of its exports. French Premier Poincaré brushed aside German arguments that a postponement of payments was essential for the stabilisation of the mark.

Confidence in the mark fell and it began to tumble. It had already declined to 10 per cent of its pre-war value by the beginning of 1920. By the summer of 1922 it was worth 1 per cent of that, and 0.025 per cent by the beginning of 1923. The inflation was encouraged by industrialists, big landlords and speculators. It enabled the landowners to pay off their mortgages and German heavy industry to wipe out its debts.

The Stock Exchange boomed as did export industries whose goods were sold abroad at dumping prices. Unemployment was virtually wiped out. Germany was envied by a world languishing in severe post-war recession. Big companies bought up smaller ones and profiteers such as Hugo Stinnes were able to build up industrial empires almost overnight.

The Weimar Government also let the value of the mark fall in order to escape from its own debts and seek refuge from the French appetite for reparations behind the chaotic currency situation.

But those with savings, war loans or other securities, insurance policies, on a pension or fixed income were losing everything. So were groups such as domestics and farm workers who did not have strong unions to fight for wage increases. And there was a tremendous conversion of working to fixed capital way beyond market needs which had severe consequences later.

On the pretext of delays in the

king about increasing ook at the 1920s

delivery of coal and timber payments, French and Belgian troops occupied the Ruhr on 11 January 1923 and Germans embarked on a campaign of civil resistance. But the Ruhr supplied Germany with 80 per cent of its coal and steel, and each day of passive resistance cost the government 40 million gold marks. Initially the Reichsbank held the mark relatively stable using its gold and currency reserves, but had to abandon its efforts in April.

In May the exchange rate reached 50,000 marks to the dollar, in June 100,000, in July 350,000 and in August 4.6 million. Confidence in money disappeared and the German currency became practically worthless. Trade union funds were destroyed. Money could not be printed fast enough. Three hundred paper mills and 2,000 presses were working day and night. Workers had to be paid three times a day because wages had to be spent as soon as they were received. Many companies issued their own private currency.

Food riots

Farmers were refusing to sell their produce. Food riots were breaking out and parties of workers were leaving the cities to take the food from the farms. There was international pressure because the contagion was spreading to other currencies.

The Rentenmark was introduced in November 1923 at the rate of one to one billion old marks and backed up by loans from the USA. When the government refused to print any more banknotes confidence was restored. A balanced budget was introduced and 330,000 government workers were sacked.

The bubble had burst, Companies went under and unemployment again soared. It receded for a short time afterwards but the credit system finally broke down, due mainly to the ravages of hyper inflation, and unemployment climbed to four times the level it was at the end of 1923. The Weimar Republic collapsed to be eventually replaced by the Third Reich.

Continuing our new series on aspects of Marxist thinking

ABSOLUTE DECLINE

Marx analysed 19th-century capitalism as being in decline, never to recover. Many claim this shows Marx was wrong, because capitalism always manages to recover from its frequent crises – so it can go on forever. Yet a longer and deeper overview of history shows Marx was right.

Capitalist forces grew up under feudalism and eventually defeated it, establishing itself as the prevailing economic system. In doing so, it created a new class, of workers who had to work in return for wages. Marx said capitalism created its own gravediggers. So from the time of its greatest triumph, capitalism never again expanded in overall form, and its decline began. Class relationships made this inevitable, and all apparent “recoveries” proved temporary.

In Britain, the working class forced the issue, seeing its own potential power, organising in trade unions to fight the capitalists. Thus it became the dominant force in society – the class which represented the future.

When workers in Russia in 1917 showed they could overthrow the capitalist class altogether and seize and maintain power for themselves, the balance of class forces in the world changed forever. Capitalism’s decline became absolute. From that point, its main aim was to destroy its future assassins – all internal and foreign policies concentrated on bloody war on workers.

This doesn’t seem obvious today. The Soviet Union eventually collapsed (having saved the world from fascism in world war two) together with socialism in China and other countries, and capitalism might seem to have won the class war. Yet the nature of class relationships is the same, and so capitalism remains in absolute decline. It is incapable of offering any kind of growth or progress for the vast majority. It can only destroy.

Now we see an increasingly fast cycle of ever deeper capitalist crises. Capitalism’s major aim is to kill the power of the working class, and decline is deliberately promoted to achieve this end, for example the closure of coal mines in Britain to finish off the miners. By its own actions, it destroys the means of production – industry and agriculture, the banks and the financial system.

Capitalism has no answers to its problems. In absolute decline, it is now exposed in its weakness, but it won’t fall unless the working class strikes it down. We could do it, but we have to want to – this is the challenge.

Interested in these ideas?

• Go along to meetings in your part of the country, or join in study to help push forward the thinking of our class. Get in touch to find out how to take part.

• You can get a list of our publications by sending an A5 sae to the address below, or by email.

• Subscribe to WORKERS, our monthly magazine, by going to www.workers.org.uk or by sending £12 for a year’s issues (cheques payable to WORKERS) to the address below.

WORKERS
78 Seymour Avenue, London N17 9EB

e-mail info@workers.org.uk
www.workers.org.uk
phone/fax 020 8801 9543

Back to Front – Keynes for the banks

‘What we need is a revolution in thinking. And a revolution in practice…’

THEY TELL US the figures are going to be bad, and then the figures turn out to be even worse. The latest, dreadful, figures on the economy, showing that overall production fell 1.5 per cent in the last quarter of 2008, illustrate that Brown’s management of the economy outdoes Thatcher’s in sheer incompetence.

On top of this, sterling has plunged by 25 per cent against the dollar in just six months. The pound has fallen by 40 per cent against the Japanese yen and is now trading close to parity against the euro. It is being forecast that our living standards will fall to the lowest of any major economy over the next year – if policy does not change.

And that’s for those who manage to stay in work. The latest unemployment figures show that redundancies in the three months to November leapt by 225,000 – the highest figure since comparable records began in 1995. Want something worse? Wait for the December figures, due out in late February.

In a crisis (or, indeed, at any time) Brown and his doomed government seem to know only one solution: ask the bankers what they want, and give it to them. Hence the latest tranche of billions of pounds of taxpayers’ money heading their way. We need capital controls to influence investment flows, directed credit programmes, and planning of investment and manpower. But Brown instead embraces free movement of capital, labour and goods, and refuses to regulate foreign investment.

What says Brendan Barber of the TUC? “Government must strain every sinew to make [the recession] as short and shallow as possible, but it must also set up a tough public inquiry into what went wrong and why.” Tough talk! The crisis of capitalism, the collapse of industry, the impoverishment of Britain, needs not just a public inquiry but a “tough” one!

What we actually need is a revolution in thinking. And a revolution in practice.

We need to direct investment into industry. But Brown promises just £20 billion for industry, and doesn’t deliver. We could borrow to invest on high-return projects in transport, R&D, technology, housing, education and infrastructure. The national debt would rise, but so would the nation’s assets. But Brown refuses to direct investment into producing in Britain, preferring to borrow to bail out his buddies the bankers. He sticks to the EU’s stability pact, which limits useful borrowing.

We need to separate commercial from investment banking to prevent the hucksters of Wall Street and the City losing our deposits in bonus-driven speculation. But Brown refuses to check the banks’ freedom to gamble. Stock markets, like betting shops and casinos, do not create value: those who own the businesses merely take money from those who have little. But Brown believes that finance rules and that industry is unnecessary.

The bankers have blackmailed the government – again – into bailing them out. Brown talks Keynes, but it’s Keynes for the banks and monetarism for industry. He has already given the bankers £600 billion of our money to buy up their bad debts. Now he wants us to give them another £200 billion, with no conditions, not even insisting that they make good use of it. With £200 billion we could rebuild British industry.

The choices are stark – industry or finance, Britain or the EU, survival or destruction.