

FREEDOM

80p ANARCHIST NEWS AND VIEWS

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THE GREAT OLYMPIC RIP-OFF

EXCLUSIVE

While businesses in the designated Olympic village are being given a custom-built new home, local groups are being fobbed off with derisory amounts while being moved to poor locations.

The London Development Agency, responsible for compensating Londoners in Stratford as Compulsory Purchase Orders are enforced across the borough to clear it for redevelopment, are getting a new £27m home in the Lower Lea Valley.

The 440,000 sq ft complex is due to be completed next March, pending the result of yet another compulsory purchase order for the facility.

But whilst the borough's businessmen will be supplied a high-tech 'superwarehouse' specifically for them, residents are not so lucky.

Freedom spoke to Anne Woolett, from the Hackney Marsh Users' Group. Her own findings have seen a litany of underinvestment and corner-cutting, using the residents' lack of resources against them. She said: "Ideally they shouldn't be doing this at all, but I think they should be compensating everyone as well as they are compensating the businesses.

"One of the interesting comparisons is that the local travellers have been moved but into Hackney Marshes.

"They should be thinking about something comparable for the travellers rather than shoving them into cheap

leftover space. They've spent almost nothing and many of the travellers will have to disperse themselves.

"They're trying to get the FA to buy off local footballers, so they are trying to get away with as little as they can. The Clave Lane residents are being moved out, and while the businesses had their legal costs paid the residents got no legal support."

The difference in how much effort is being gone to is even more stark when looking at the green spaces of Hackney Marshes.

Most re-homing is sending people to land that is already in use, mostly as public open spaces or as free sports facilities. However, a large percentage of Hackney Marshes is also being bought up for development, as the Olympic Development Agency would be unable to find enough space otherwise.

The land is going for a song, says Anne. "There will be about £1m paid for the green spaces. They are supported in that by Hackney Borough council, who think it is a bonanza for the loss of that kind of space!"

But the £1m won't even find its way into the facilities Hackney so desperately needs. In order to 'integrate' and help with the Olympic construction process, a team is being employed, at great expense. Anne said: "Hackney council are employing staff on their Olympic team costing them £1.5m a year, with the head of the team on £80,000 a year. We asked where the money is coming



from, and they are using reserves built up because they had been so 'fiscally prudent'."

London Development Agency director of development Gareth Blacker said: "We hope the Beckton site will be an attractive relocation option for some of the businesses.

"We are committed to supporting businesses through the relocation process, and the creation of this site is one

element of that." It is one of three purpose-built relocation sites, with the others at Leyton and Enfield.

• In a related story, an international consortium led by builder Laing O'Rourke has won the £100m job of making sure the Olympics are constructed on time and on budget. The victory has surprised industry insiders, as the 'CLM' consortium did not have

as much expertise as other bidders. The company have also had two recent high-profile building flops, including their work for the Athens Olympics, and more recently on the disastrous rebuilding of Wembley Stadium, which has been massively late and over budget.

However the builders were major donors to the London 2012 Bid.

Rob Ray

CHANCE OF A LIFETIME

A new report from homelessness charity Shelter has found that poor housing is 'robbing' over one million children of future chances.

Shelter's report *Chance of a lifetime: The impact of bad housing on children's lives* – reveals that bad housing is a contributory factor to lifelong problems due to early ill-health, educational under-achievement and insecurity.

There is a 25% higher risk of severe ill-health and disability, during childhood and early adulthood.

Overcrowded housing results in a tenfold greater chance of contracting meningitis, increased risk of tuberculosis and other respiratory problems such as

asthma. Consequently many of the children lose sleep, have restricted physical activity and lose out at school. Overcrowding has also been seen as to cause slow childhood growth, that later increases the risk of coronary heart disease.

Fifty percent of childhood accidents can be attributed to housing conditions. There is also a greater risk of domestic fire in poor housing.

There is greater chance of mental health and behavioural problems.

Children who are homeless are three to four times more likely to have mental health problems than other children. Anxiety and depression are also linked to overcrowded and unfit housing.

Lower educational attainment, greater likelihood of unemployment, and poverty are also projected outcomes.

The resultant ill health and poor education inevitably lead to increased risk of unemployment or low-paid jobs. Leisure and recreation possibilities are lessened due to poor health and no money. Behavioural problems associated with

bad housing can later become offending behaviour.

The Government has pledged to end child poverty by 2020 to improve life outcomes for children in areas such as health, safety, enjoyment, achievement and economic well-being, but little attention has been paid to the impact of bad housing on children's lives.

Currently there are greater than one million children living in bad housing in England. They live in homes that are so small that there is insufficient space to sleep comfortably, to enjoy normal standards of hygiene and privacy, or even room to do their homework. They also live with the constant threat of eviction, and are repeatedly moved from one temporary home to another, with no chance of permanency or security. Many of these homes are dilapidated, damp and dangerous. The results of this housing crisis, are poverty and unequal life chances.

One of Shelter's proposals is that an additional 20,000 affordable social rented

THE BOOKFAIR

We'll be at this year's anarchist bookfair at UCU with a couple of new projects on the go, a bunch of good books, and of course this publication. Although we have decided (due to lack of interest last year) not to hold a specific meeting for Freedom, members of the editorial team will be there and will be happy to take feedback, offers of help, etc.

It looks like it could be an interesting fair this year, with some top events, including a double book launch from Ian Bone and Martin Wright. Ian's *Confessions of an Anarchist* covers the period 1965-85 and gives the definitive insider account of the rise and fall of the first Class War. Phoenix Press brings us Martin's *Anti-Fascist*, a vivid, sometimes brutal, street-level view from 1970s. Both books are hyped as – quite literally – pulling no punches.

Fancy pitting your wits against Freedom's regular anarcho-quizmaster? Need to prove you know your Bakunin from your Bookchin and your auto-didacts from your Dadaists? Then don't miss the quiz, with prizes, at *The Anarchist Quiz Book* launch.

Several of the meetings could be highly interesting as well, with the bookfair organisers making a conscious effort this year to improve the quality.

A debate on the contradictions involved in resident-based organising could be particularly interesting as a member of Haringey Solidarity Group takes on a speaker questioning their revolutionary potential.

Other workshops are being held on the Olympics, antifascism, the NHS crisis, historical topics, ID and much more. See anarchistbookfair.org for a full list of what's on offer.

TO GIVE YOURSELF OR A FRIEND A YEAR OF FREEDOM FOR LESS THAN THE PRICE OF A GOOD NIGHT OUT, FILL IN THE SUBSCRIPTION FORM ON THE BACK OF THIS PAPER.

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Home and away

Sheffield cuts

Protestors took to the streets of Sheffield on Saturday 9th September in response to Ward S2 in Sheffield Children's Hospital being threatened with closure. S2 is a specialist children's ear, nose and throat ward and its closure is part of cuts worth £3m for the Hospital, which is just a fraction of the three-year £100m cuts package for the NHS in Sheffield.

Hospital unions are objecting to cuts which include not filling vacancies and workers' hours being cut. These cuts are not an isolated incident, in July there was a protest against privatisation on the 58th anniversary of the founding of the NHS

Underground lobby

The RMT have begun a campaign against moves by London Mayor Ken Livingstone and Transport for London to privatise the East London Line. The Mayor has announced plans to transfer the London Underground line over to the private sector in 2010. Privatisation will exacerbate that fragmentation and could be the thin end of the wedge with other lines and services being threatened with sell-off in future, say the union. Union delegates walked out of the TUC conference during Blair's speech, and shouted scab at Ken Livingstone at a fringe event.

Mersey Fire cuts

Following a solid strike by Mereyside firefighters, there has been a national demonstration against £3.5m of cuts to the service's budget from the Fire Authority. The demo marked the beginning of another eight-day strike, following the success of the 1,000-strong walkout earlier this month. The union came out for eight days and, unlike in previous disputes, there was no military cover, since the Territorial Army are involved in Afghanistan, Iraq and Kazakhstan.

Earlier this week, the strikebreakers made FBU claims of intimidation and sabotage against the strikers. They chose to make these allegations public rather than go to the police.

Drax profits up

Following a confrontation at the station between environmentalists and police over public awareness-raising efforts on the pollutants at Drax, the company has posted soaring profits. The company will pay out £326m to shareholders in a special dividend after first half earnings soared more than 20 times on the back of high electricity prices. High electricity prices drove up earnings as the average price per megawatt hour was £45.70 in the first half compared to £30.10 a year earlier. Electricity prices have been driven by the higher by the cost of gas, which has a strong impact on power prices as it is used to generate 40% of Britain's power. Earnings have also been helped by the cost of coal, Drax's main input cost, rising less than electricity prices.

Remploy against cuts

Under-threat Remploy workers have used the TUC as a public platform to boost their campaign to sack the government-run company's board of directors before a single job in other sections is lost.

Freedom reported earlier this year on the dispute, which would see the government mostly close Remploy – the single largest employer of disabled people in the country and its largest halfway house in getting disabled people back to work.

Recent negotiations have made it clear that the government are planning significant cuts in the factory section of the business at the same time as they have pledged to get more disabled people back to work.

Around the world

BELGIUM: Seventeen alleged neo-nazis have been arrested on charges of attempted terrorism in order to destabilise the state. Most of those arrested are serving soldiers, whose private addresses and barracks were searched in a series of raids. A homemade bomb and other weaponry were discovered at various locations.

The main suspect is a member of the Nazi Blood and Honour Flemish group.

COLOMBIA: A new report released by Amnesty International has criticised the Colombian government for giving a 'green light' to attacks against human rights defenders in the country and called on the international community to support local activists more effectively. The report said: "Attacks against human rights activists in Colombia have a double purpose: they aim to silence individuals and prevent others from continuing with their work. "Some individuals have received threats so regularly that they consider it part of their routine. Others have been forced to leave their communities."

FINLAND: Downtown Helsinki was cordoned off for several hours this month by a huge police presence, almost unprecedented by Finnish standards. Several dozen demonstrators were arrested on suspicion of malicious damage, rioting, and incitement to cause a riot. No serious injuries were reported.

The 'Smash Asem' demonstration began peacefully at around 6pm, but was unable to move on from the gathering point in the square in front of Kiasma by the arrival of around 200 riot police equipped with shields, helmets, and truncheons.

Not just the 300 or so demonstrators were hemmed in, but also passers-by on their way home, journalists and cameramen.

NEW ZEALAND: The last month has seen an escalation of workers struggle against anti-union and pro-corporate policies that threaten jobs, communities and environment. Five hundred workers at distribution centres of Progressive supermarkets went on strike on Friday 25th August because they demand one collective agreement for all four distribution centres and a pay increase. The workers were then locked-out by their employer.

The workers at the Progressive supermarket's distribution centre in Mangere, Auckland, decided to continue the strike for 80 hours after the Australian owned company suspended 50 workers in Palmerston North. Workers responded by voting to extend their strike demanding that Progressives rehire all the Palmerston North workers immediately. Three of the distribution centres were shut down with no trucks arriving or leaving at the time of writing.

PORTUGAL: A mass walkout at the soon-to-close Azambuja plant has ended after three days over a dispute over severance terms. General Motors (GM) agreed to restart negotiations with unions over the closures.

GM announced in July that it would close the Azambuja plant in December in order to shift production to a larger plant in Spain. The initial plan was to close by the end of October, but the decision prompted protests at 18 GM plants across Europe and the threat of legal action by the Portuguese government, who have previously provided financial incentives in return for GM remaining until at least 2008.

USA: The Bush government has announced some good news for women workers in America. According to the Secretary of Labor, "what has been called

the 'pay gap' is shrinking and is now the smallest it has ever been since the Bureau of Labor Statistics (BLS) began tracking this data."

The reason for the good news announcement is that new data released by the US Census Bureau show that gender pay gap for full-time, full-year workers is the smallest on record. American women are now earning 77% of the income of men. This gap has fallen for the last two years, after increasing from 2002 to 2003

Here is the bad news. The reduction in the gap is purely down to the fact that while both men's and women's earnings falling over the last few years, the former's incomes has fallen more. Funnily enough, the Department of Labor failed to mention that.

Definitely a case of the chocolate ration being increased...

USA: In the largest turnout to date, the Bay Area Industrial Workers of the World rallied outside Landmark's Shattuck Cinemas in Berkeley, California, in support of the theater's workers.

The rally occurred one day before the IWW General Assembly, allowing the opportunity for fellow workers from all parts of North America to participate, putting our number at about 125 Wobblies and union-supporters. The rally began as a march, as over 60 Wobblies



marched from the Bay Area GMB office, to the Shattuck Cinemas half a mile away. As members approached the theatre, everyone began to sing 'Solidarity Forever,' and then took a place outside the theatre to display banners and picket signs.

Among the people present were several workers from the Starbucks Union in New York City. These fellow workers were quick to show their solidarity with the rallying employees at Shattuck Cinemas, and as Starbucks organiser, Daniel Gross, said "Starbucks workers were so inspired by the Shattuck victory ... so for us, it was such a privilege and honour to take a stand with the Shattuck workers and to be with them in solidarity, and also to pledge to do whatever we can to make sure they succeed, and that we succeed as a class."

WORLD: A new World Bank report has called for the wholesale elimination of workers' rights. The 2007 edition of the *Doing Business* report has declared the Marshall Islands to be the world's 'Best Performer' for its almost total absence of labour regulation, displacing last year's champion, Palau. According to the International Confederation of Free Trade Unions (ICFTU), both Marshall Islands and Palau have in common that they are tiny Pacific island nations that have no labour code and are not members of the International Labour Organisation.

The World Bank's online *Doing Business* database explains that it has given top ranking for labour market regulations to these countries because, among other exemplary features, both allow workers to be forced to work up to 24 hours per day and up to seven days per week and require no vacations or advance notice for dismissal.

Prison news

Bent screws

According to a leaked Prison Service report corruption among prison staff in England and Wales is "endemic" and "may well be growing". The report claims that there are "serious corruption problems" in at least seven English jails, including Walton in Liverpool, Strangeways in Manchester, and Birmingham's Winson Green; all are strongholds of the Prison Officers' Association' (POA).

An internal database holds records on more than 3,000 staff suspected of misconduct, and it is thought that "1,272 was the lowest likely number of corrupt staff currently operating within the service". The report conceded that much corruption was covered-up by individual prison governors, (in much the same way as the Prison Service as a whole have tried to cover it up.)

The study, which was led by Peter Siddons, the head of the Prison Service's Professional Standards Unit, and Detective Inspector Jonathan Cox, of the Metropolitan Police, found that the trafficking of drugs and mobile phones were the most common forms of corruption in prisons. Actions that were to be regarded

as corrupt, for the purposes of the report, had to "amount to substantive criminal offences," including perverting the course of justice, bribery, blackmail, malfeasance and drug trafficking.

Aachen Prisoners

The Aachen prisoners have had their appeals rejected, and their sentences confirmed. Among other things this means that their postal addresses have changed. Please write to them at the following addresses. All can receive International Reply Coupons, which you can obtain from the Post Office.

- Gabriel Pombo da Silva, JVA Aachen, Krefelder Str. 251, 52070 Aachen, Germany
- Jose Fernandez Delgado, JVA Bochum, Krümmede 3, 44791 Bochum, Germany
- Bart De Geeter, JVA Düsseldorf, Ulmenstraße 95, 40476 Düsseldorf, Germany

New Polish antifascist prisoner

Igor Kisielwicz, a 24 year-old Polish Anarchist and antifascist has been sentenced to three months in prison for breaching a community service order. Three years ago Igor got into a fight

with a neo-Nazi. He was convicted of assault and fined 1,000 zlotys (about 250 euros.) Being too poor to pay the fine, Igor applied to have it converted into community service. Later however, he moved from his village to Bialystok in the east of Poland and started an education course without completing his community service. Please send letters of support to: Igor Kisielwicz, syn Aleksandra, A.S. Bialystok, Kopernika 21,15-377 Bialystok, Poland.

New animal rights prisoner

British animal rights activist Sarah Whitehead has been remanded in custody accused of witness intimidation and harassment of a pet shop owner/breeder.

- Sarah Whitehead, NR9244, HMP Bronzefield, Woodthorpe Road, Ashford, Middlesex, TW15 3JZ

Another Home Office pathologist gets it wrong

Dozens of murder cases could be reopened after a leading Home Office pathologist was criticised in a disciplinary judgment, which is likely to lead to him being struck off the register. The tribunal ruled that

Michael Heath, a Home Office pathologist for 14 years, bungled postmortem investigations into the deaths of two women which led to their partners being wrongly tried for murder.

After a six-week hearing the Home Office advisory board found that in the cases of Mary Anne Moore and Jacqueline Tindsley, Dr Heath's professional performance fell short of the standards required of forensic pathologists by the home secretary. Dr Heath has been involved in hundreds of postmortem examinations and criminal cases, including that of Lin and Megan Russell, and Stuart Lubbock, who was found drowned in Michael Barrymore's swimming pool.

Defence lawyers said they would now be reviewing all the cases in which Dr Heath was involved. He was examined for his role in two murder cases. Steven Puaca was jailed at Norwich crown court in 2002 for killing Ms Tindsley, 55. His conviction was quashed last November by the court of appeal. Kenneth Fraser faced an Old Bailey trial, also in 2002, for murdering Ms Moore, 56, but was cleared.

News

Mental health breaking down

Rob Ray reports on the debacle surrounding implementation of Labour's 'care in the community' policy

A shift towards 'care in the community' started by Labour in January of this year has seen massive cuts to support for the mental health services, as the 'Cinderella' of the NHS finds itself in ever deeper trouble.

Following on from cuts in some of the most deeply in-debt services, a series of announced cutbacks across the UK have hit mental health first, on the grounds of providing more care in the home.

But the pioneers of the policy, in Suffolk, have already seen an upsurge in erratic behaviour, and allegedly their first directly-related suicide, just a couple of months after major cuts were carried out.

The NHS trust in the county closed down two halfway houses for mental health patients (drop-in centres offering direct support when needed) announcing that the slack would be picked up by home visits.

But the Mental Health Trust has come under intense criticism after Adrian Scott, of Bury St Edmunds, hanged himself after his constant calls to the NHS crisis line were not responded to.

Mr Scott had been involved in the mental health system for several years, and was in a particularly vulnerable state having lost several close family members. But despite repeated pleas, no room could be found for him in the hospital, as his case was not regarded as serious enough for a stay.

His mother has demanded answers, saying to a local paper: "I want to know why he wasn't put in hospital for the safety of himself and others around him - he was a danger to himself. He

was ill for a number of years but had been calling the crisis line most days for the two weeks up to his death."

Several announcements have coincided with the death of Mr Scott. Severe guidance from the government that no debts within the service would be cleared, while privatisation would be stepped up (reported in *Freedom* of 26th August) seems to have prompted a round of cuts starting with mental health.

Policies from Labour's White Paper *Our Health, Our Care, Our Say: a new direction in community services* forces these cuts to go through channels such as mental health first, as it is recommended they "shift expenditure from spending on hospitals to spending on care closer to home and on preventative services."

Suffolk neighbours Cambridgeshire are among the most recent to have ordered mental health slashed. Health secretary Patricia Hewitt personally backed £3m in cuts on 13th September.

Projected areas for the cuts are the Young People's Service (YPS), along with closing wards at Fulbourn and at Addenbrooke's hospitals. Day care services could close, and there could be mergers of teams providing care and support.

According to Mrs Hewitt, the cuts should go through because they are consistent with government policy, and she had not as yet seen any adverse outcomes from a small-scale test of the programme.

The PCT boards decided the YPS should cease to operate by this autumn at the latest, with the therapeutic community and outpatient service closing to save £170,000 a year.



In an encouraging move, workers and residents in the region are attempting to form a charity to continue the work of the YPS beyond a government remit.

Mental health bosses in London have

also announced plans to cut a community mental health team at the Barnet, Enfield and Haringey Mental Health NHS Trust.

Along with closing a ward at the

local hospital. One of four community health teams are being threatened with closure, with a view to more cuts once an "intermediate care team" has been set up to replace it.

A million off incapacity?

The latest figures for those claiming incapacity benefits is 2.7 million people. This includes those in receipt of Incapacity Benefit (IB) itself (about 1.4 million), 'NI credits only' for incapacity (0.1 million) and Severe Disablement Allowance (0.3 million). None of these people are in employment, but are not recorded as unemployed.

The figures also indicate that high rates of IB claimants are regional and local problems. The claimant rate in the North East, North West, Scotland and Wales is twice that of the South. In North East England one in nine working age adults are on incapacity benefits compared with less than one in twenty in the South East. In Easington, County Durham, more than 20% of the working age population are IB claimants. Nearly half of all claimants are over 50.

The government has stated its intention to reduce the number of incapacity claimants by one million within ten years. A new report by Fothergill and Wilson, *A Million Off Incapacity Benefit: how achievable is*

the government's target? from Sheffield Hallam university, has asked the question "how achievable is the Government's target?" Their assessment was carried out by projecting forward current trends to establish a 'baseline', and then approximating future developments including the government's proposed reforms.

The baseline projections indicated no reduction in IB claimants. IB numbers will not naturally reduce as older claimants reach pension age. Many of this older group who were made redundant coal, steel and engineering jobs during the 1980s and 1990s, and claimed IB perhaps since redundancy. However, the assumption that they will disappear from IB figures once in receipt of pension overlooks the tendency for the IB stock to be renewed as younger claimants replace their older counterparts.

Therefore a natural reduction of claimants will not occur, whether the government meets its target depends upon its policies and their implementation.

There are sufficient 'hidden unemployed' within IB claimants to achieve the one million reduction target, but because of the regional nature of high claimant patterns, the majority of the reduction would have to come from the North, Scotland and Wales. Employment growth in these regions would need to accelerate enormously.

The Pathways to Work initiative has the potential to reduce the IB total by about half a million in ten years. The report authors conclude that the government's target is a 'tall order.' Doubling the current impact of Pathways to Work is tough enough, but the regional nature of the perceived problem makes the target achievement extremely difficult.

Unless there is sustained accelerated employment growth in the North, Scotland and Wales any reduction in IB figures will only result in an increase in unemployment. It is questionable whether government policies can achieve sufficient acceleration in regional job growth.

'No Clear Verdict'

After three years of pre-trial legal arguments extending as far as the House Of Lords, two members of the Fairford Five went on trial at Bristol Crown Court.

Dr Margaret Jones and Paul Milling, both members of direct action group Trident Ploughshares, went on trial accused of 'conspiracy to cause criminal damage'.

This charge carries a maximum of up to ten years imprisonment if convicted.

The pair went on trial on 4th September and the trial was originally expected to last until 18th September. Supporters, both local and from as far afield as Plymouth and beyond, stood outside the court with banners and placards. Dr Jones expressed her gratitude for their support during the trial.

The charges relate to the disabling of support vehicles serving B52 bombers at RAF Fairford in Gloucestershire in March 2003. It is alleged that up to £350,000 of damage was done to these vehicles in an open accountable act of

non-violent direct action.

The pair used the defence of 'lawful excuse' in that they were attempting to prevent a war crime and save civilian lives and property from destruction by the B52s during the illegal invasion of Iraq.

In short, they admit the action, but deny that it was criminal as it was intended to prevent a worse crime from taking place.

After a day and a half of deliberation the jury announced they could reach 'no clear verdict' on the charges.

Upon hearing the jury's declaration, Judge Crowther discharged the jury and ordered a retrial, which was due to begin as *Freedom* went to press.

In the same court, during the same week, two other members of the Fairford Five are also expected to go on trial on other charges relating to protests and actions in and around RAF Fairford.

Support would be appreciated during these trials.

Robert Walsh

News

Arroyo sell-out gathers pace

The Philippines president is continuing the class war even under intense international fire, reports Rob Ray

The president of the Philippines has completed a free-trade deal that could crush the poor even as she is hounded over human rights abuses from all sides.

Gloria Macapagal-Arroyo personally signed off a bi-lateral agreement with Japan which has effectively created a free trade zone across the Philippines.

While Japan has agreed to take on Philippine doctors and nurses, in order to try and counterbalance massive problems the country is having with its aging population, Arroyo has agreed in return to open up the entire country to food dumping, which looks likely to devastate independent and rural economies.

Another provision in the trade pact allows dumping of Japan's hazardous wastes in Philippine waters.

While the move, backed by influential government-funded think tank the Philippines Institute of Development Studies (PIDS), is projected to improve GDP for the country, critics have savaged the plan.

Pointing to the effects of similar agreements in other countries, opponents have predicted that the trade commitments in the agreement will hurt the average Filipino, affecting not only prices of agricultural and industrial products but also the job security of Filipino workers in surviving local industries.

Certainly mineral riches in the country are looking to be early victims. Following a strong courting of international mining

corporations in 2005, the government has passed a law changing former maximum foreign ownership of mines from 40% to 100%, paving the way for similar resource-stripping exercises to those seen in Africa, South America and the Indonesian islands.

Mining executives from around the world visited the Philippines in the same week the trade agreement was signed, as the country opens up a projected \$1trillion of mineral wealth for exploitation.

However, in a bizarre turn of events, the government has avoided publishing the news widely for fear that green and leftwing groups will cause trouble over the process.

The Philippines has seen a number of horrific contaminations of surrounding lands at major mining operations run by private companies in the region, including cyanide leaks in October of 2005 from an Australian run copper and gold mine.

It is thought the proposed sell-off, which it is hoped will raise up to \$6.5bn in investment, will help to pay off some of the country's massive \$75bn debt.

But even as she has signed the free-trade deal, Arroyo, who has been massively unpopular since she allegedly cheated her way to victory in the country's 2004 elections, has been forced to invite the EU to send delegates to the country in an effort to prop up her legitimacy.

Following a string of eliminations of leftist organisers and activists who have



Gloria Macapagal-Arroyo

attacked her administration, including the notorious gunning down of a strike leader at Nestlé Philippines in September of last year, criticism has mounted of the president.

Dozens of peasant leaders and trades union activists have been killed in what has been widely held to be politically motivated circumstances.

Press Secretary Ignacio Bunye said on

Sunday the Philippines is "ready to defend before any forum the earnest efforts being exerted by the government to resolve extra-judicial killings. Our law enforcement agencies are working 24 hours a day, seven days a week, to bring the perpetrators to justice and we have an independent commission that will get to the bottom of these killings and stop them."

He said that the government is determined to put an end to the slayings.

Specifically accused is close Arroyo ally Major General Jovito Palparan, who has been accused of killings throughout Central Luzon, Mindoro and Leyte in the centre of the country.

The agreement is due to start as early as April 2007.

Fortifying Oaxaca

As Mexico's new president Calderon settles into his new office, a fortification and outreach process is underway in the region of Oaxaca.

Following a meeting of the Asamblea Popular de los Pueblos de Oaxaca (APPO) in the city on 10th September, agreements have been made to begin fortifying the town against possible incursions from state and national forces, the reinforcement of existing brigades and the formation of a defence committee.

At the same time caravans are being sent out to Northern and eastern regions to gather popular support for the rebellion in the region and aid similar movements which seem to be gathering pace in areas such as Yucatan.

Militarised areas are still causing major problems, and APPO has pledged to fight to expel Mexican military forces from the state.

Domestic economics is being given a high priority following the attacks on vital tourism income from both domestic and foreign governments

recommending that no visits to the area take place.

George Salzman, an anarchist correspondent who is currently on the ground in Oaxaca, said: "The Asamblea Popular de los Pueblos de Oaxaca [APPO], is making an effort to resuscitate tourism as part of its program for a return to economic normalcy.

"Visiting Oaxaca at this time will offer you an opportunity to see a truly non-violent revolutionary effort by a large majority of Oaxacans to change their government, and to do it faced with the threat of a possible violent bloodbath by the federal government's armed forces. I personally do not believe the Oaxaca State government is any longer a viable counterforce, having totally lost its legitimacy in the eyes of a large majority of its citizens.

"I believe the greatest threat to the people's efforts is that the Federal government might use the Mexican military to smash the emerging popular government here. The presence of foreigners serves as a strong deterrent

to help prevent a military attack on Oaxaca."

The conflict between Oaxaca's unpopular state governor and his policies blew up after a brutal attack on striking teachers ignited a popular uprising demanding his ousting.

State troopers have lost control of the city, and APPO supporters have taken control of radio stations and much of the city's infrastructure.

The movement, which is bordered on one side by that of the Zapatista autonomous area, seems to have prompted revolts in other areas of the country.

In Yucatan, a massive reaction has been seen to the imprisonment of a local anthropology professor for the bombing of a popular left-wing newspaper – despite the fact he is a regular collaborator with it.

Representatives of dozens of organisations – farmers, teachers, unions, evangelical churches, the Democratic Front of Yucatán, and individuals have formed a massive and ongoing protest against Governor Laviada's actions.

Weapons testing

Solidarity groups have reported the possible use of experimental weapons technology on protesters against the wall being built to divide Israeli and Palestinian territory.

In an attack early this month, Israeli forces confronted non-violent protestors using a tank filled with a mix of blue chemicals and water, and following the move up with a range of other weaponry while invading the protestors' base village.

Eight Palestinians, one journalist, four Israelis and one international were injured.

A report from the International Solidarity Movement said: "Bil'in seems to be a testing ground for new types of 'less lethal' weapons. One Palestinian and one Israeli were also hit with a sponge bullet, which places needles within the skin and sucks out blood."

Another weapon allegedly being used is a type of rubber bullet known as a 'ShockRound'. Being developed by MDM, the ammunition is a specialised electric munition that generates a high

voltage electric charge upon impact with the target. ShockRound would allow police and armed forces to machine-gun electric-shock bullets into crowds with a similar effect to a taser gun.

News on the technology had largely dried up after late 2005, with investors speculating in August of this year that Taser Inc have legally stymied the project in its development stages, and no new prototypes having made it to official markets.

The emergence of similar bullets in the Palestine conflict in what appears to be a 'live' testing situation would be a strange development given the public situation.

The US government, instead of pressuring the Israelis to stop attacking US citizens with experimental weapons, has responded with a directive for US citizens to stay out of Palestinian areas – aware of what is happening, they simply choose not to act.

Israel, for its part, has banned internationals from entering the West Bank and Gaza.

Feature

Building the future now?

James Horrox heads to the cities of Israel to conclude his investigation of the modern kibbutz movement

The graduate groups discussed in the first part of this series were but one in a varied mosaic of social models existing throughout Israel within the bracket of Ma'agal Hakvutzot, the Circle of Groups. In addition to this set of bigger agricultural movements which make up its core membership, the organisation also incorporates four urban kibbutzim. Attempts to integrate the kibbutz idea into an urban environment were being made as far back as 1947, as certain sections of the mainstream kibbutz movement began to recognise the growing isolation of the kibbutzim from Israeli society, to question the very meaning of pioneering and the role of the kibbutz. With rapid industrialisation and expansion occurring throughout the mainstream kibbutzim and the newly created State of Israel assuming many of the tasks previously undertaken by the nationwide network of federations, they concluded that for the kibbutz to maintain its influence in the country it must be directly involved in urban Israel.

Historically however, nearly all subsequent attempts to set up kibbutzim in towns and cities across Israel met with unqualified failure. Settlements established in suburbs of Jerusalem, Haifa and Herzliya quickly found themselves unable to integrate into the community and became simply 'kibbutzim near towns', while many other such attempts simply fell apart.

But in spite of the various efforts that fell by the wayside, there exist four urban kibbutzim that we can regard as success stories. Of these, perhaps the most highly celebrated exemplar is Kibbutz Tamuz (pictured), situated in Bet Shemesh, eighteen miles west of Jerusalem. Tamuz was founded in 1987 by nine individuals who found themselves increasingly disenchanted with the mainstream kibbutzim in which they had grown up, seeing creeping privatisation as "both the cause and effect of the breaking down of community".

Even the federations, the anarchist-oriented network of kibbutz communes which had previously formed the backbone of pre-1948 Palestine, had lost much of their meaning, as individual settlements became increasingly introverted, preoccupied with sky-rocketing debt, the evolving process of privatisation and the manifold other problems to which the Thatcherite economic policies of the Likud government had given rise.

Like the kibbutz pioneers eighty years before them, the Tamuz founders aimed to create a 'just society' on the basis of their socialist ideals of equality, mutual aid and cooperation. But in the highly developed country that Israel had become, with agriculture no longer so central to the economy, the country's

borders now protected by the army and the Left no longer enjoying hegemony of the political landscape, Tamuz's founders recognised that addressing the contemporary needs of the country could be best achieved by locating their settlement within an urban environment.

In its own words then, Tamuz became: "An urban kibbutz, a small Jewish community, and like the traditional kibbutz, Tamuz is a collective. Its 33 members function as a single economic unit, expressing the socialist ideals of equality and cooperation, ideas and praxis. However, unlike the traditional kibbutz, we are located in an urban environment, keeping us in tune with what is happening in society around us."

As distinct from the traditional kibbutz, Tamuz owns no cooperative enterprises and each member is responsible for his or her own work. Members work regular jobs in society and pool their salaries, but this aside, the economic format by which the settlement functions is otherwise broadly consistent with that of the traditional kibbutz. The collective owns several cars, assumes responsibility for the financing of education, health, transportation and so on. Tamuz members live in separate households, owned collectively, and allowances are distributed on the basis of family size, (i.e. 'according to need'). In common with graduate groups like Anton's, from its inception in 1987 Tamuz has engaged in educational projects in the town and recently established an official non-profit association, the Center for Cooperative Learning. A separate organisation by the name of Yesod (an acronym for 'A Social Democratic Israel') works to promote public debate on issues such as economics, politics and culture through its publication Society.

Both the urban kibbutzim, and graduate movement kvutzot, function in much the same way internally, shunning the specific kind of 'democracy' and often debilitating degree of bureaucracy that have crept into the larger traditional kibbutzim, opting instead for the levels of consensus and anarchy attainable in small, intimate groups. Decision-making takes the form of direct democracy, on the basis that democracy must involve the individual's active participation in the running of the community. Tamuz makes its decisions collectively in various different forums, centring around the general meetings held on a weekly basis.

These meetings are frequently divided into smaller discussion groups, with seminars taking place every two months for longer debate on more general subjects. The settlement's modest size thus means that it seldom resorts to the kind of ballot voting adopted during



recent years by most of the older kibbutzim.

In contrast to the traditional kibbutz there are no committees making decisions for the individual member: the individual makes his own decisions about his personal life.

The group ethic of Tamuz and its fellow urban kibbutzim is in many respects far removed from the asceticism of the traditional, tightly-knit kvutza or kibbutz model, the conventional notion of the subordination of the individual to the group being one to which members of Tamuz and the other urban kibbutzim are vehemently opposed.

In its place, the community adopts the maxim that "the freedom of man must be expressed in every moment of communal life". The urban kibbutzim are therefore, as one writer put it "very much creations of their time, contemporary not only in their locations, occupations and structure, but in their communal ethic". While this emphasis on the importance of the individual may set the Tamuz model apart from the traditional kibbutz paradigm, the Tamuz approach presents an attractive middle ground between the individualist tendencies of the modern Western world and the very real potential for totalitarian collectivism for which the mainstream kibbutz model has frequently been criticised.

As with any successful kibbutz, the system at Tamuz is based on total mutual trust: according to one member, "it is axiomatic that every member wants what is best for the community,

but it is also assumed that the community aims to benefit the individual ... The members believe that the two things are interdependent." Congruent with the anarchist communitarian ethos on which the kibbutzim were founded there exists no framework of coercive authority at Tamuz: authoritarian structures, in Tamuz's view, are "based on the assumption that people try to take advantage of each other and must be prevented from doing so. The Tamuz assumption is that, given the opportunity, people prefer a life based on trust and partnership, rather than one based on exploitation and deceit. In the absence of control mechanisms, continuous dialogue between the members is maintained."

Unlike the graduate groups, Tamuz and the three other urban kibbutzim are registered as official kibbutzim within the kibbutz movement, solidifying their legal status as cooperative communities, meaning that they pay taxes to the national movement and receive services in return.

Over recent years the differences between models have narrowed, enabling unification under the Ma'agal Hakvutzot banner, with all of the groups sharing the same aspirations and working towards the same goals.

The traditional kibbutz has not failed, but it has encountered serious problems which have in practice led to an increasingly marked disengagement with classical anarchist ideas which formed the basis of its existence for the best part of a century. The groups of

Ma'agal Hakvutzot thus constitute an important new phase in the kibbutz idea, a phase which consciously looks back to the movement's anarchist progenitors for inspiration as to its future direction.

At a time when Israel/Palestine is in desperate need of an answer, it has been suggested that the beginnings of that answer may be found in the work of today's urban communards.

But the urban kibbutz model is an example for the rest of the world as well, and bears a palpable resemblance to the kind of community envisaged by Albert and Hahnel in their Parecon theories, and the ideas of other writers such as Graham Purchase, Jared James and Bill Templer. Echoing Kropotkin and Landauer, in his article 'From Mutual Struggle to Mutual Aid', Templer identifies the need for what he calls a "prefigurative" politics: building the future in the present by means of autonomous neighbourhoods governed by direct-democracy, Household and Home Assemblies" as the initial stages of progress towards a future, post-capitalist society.

It is easy to see how organisations such as the Ma'agal Hakvutzot projects might represent the first steps in such a scheme, their hitherto successful reconnection with the ethos of the small-group models of the early years of kibbutz history marking Ma'agal Hakvutzot out as an organisation whose future developments should be watched with interest.

A Living Revolution by James Horrox will be available from AK Press in January 2007.

Commentary

FREEDOM

Volume 67 Number 18

Anarchism

Anarchists work towards a society of mutual aid and voluntary co-operation. We reject government, and all forms of exploitation and domination.

Freedom Press is an independent anarchist publisher, founded in 1886. Besides this newspaper, which comes out every two weeks, we produce books on all aspects of anarchist theory and practice – see our website for a full list.

In our building in East London we run Britain's biggest anarchist bookshop and host the Autonomy Club meeting room and the Freedom Hacklab open-access IT space.

Our aim is to explain anarchism more widely and to show that people can work together and use direct action to practically improve our lives and build a better world.

Freedom's editors wish to present a broad range of anarchist thought, and as such the views expressed in the paper are those of the individual contributors and not necessarily those of the editorial collective.

Angel Alley

London Anarchist Bookfairs seem to come around far too quickly, though not as quickly as in Manchester (the Basement is bonkers for bookfairs, doing four in a year). Sadly it sounds like unless something drastic happens, this may not be the case for Norwich, as the anarchist group there are not currently planning a followup to the poorly attended 2006 event.

Our continued thanks to the London Bookfair organisers who every year perform the amazing feat of getting together what is easily the UK's largest.

On a different note, we need to print a correction to a story in the issue before last. A Manx reporter has informed us that various parts of a story run in or late August edition on the story 'Manx Justice' were inaccurate. As far as he is aware, there were no reports on asylum seekers in the local press, partly as there is no legislation on the issue. There were no racist attacks, and foreign health workers are better treated than was implied. The banker concerned is to be deported. Our apologies for the misleading article, which should have been more thoroughly checked before going to print.

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Next issue

The next issue will be dated 7th October 2006 and the last day to get copy to us for that issue will be Thursday 28th September. You can send articles to us by email to copy@freedompress.org.uk or by post addressed to The Editors, Freedom, 84b Whitechapel High Street, London E1 7QX.

Evolution of the child

Is the free society of tomorrow just for the generation which creates it, vanishing when they die? No, we believe it to be the best condition for evolved humanity to exist in, the last society, whose principles will endure through space and time as long as people remain people.

How is it to be continued? The simple answer is, of course, through the children and each succeeding generation. Procreation, then, and socialisation, are primarily social acts. As individuals we are free to have children or not and to play a part in their socialisation, but only so long as that decision and those acts contribute to the well-being and continuation of the free society. Integral with the rest of all social activity and in no way separate from it, or governed by other rules, the acts of procreation, child-rearing, nurturing and socialisation must follow and be based upon the principles of self-determination, free association, co-operation and equality.

This begins with the act of procreation itself. As free individuals in a free society, we have the right to decide whether to create and nurture children or not; there can be no stigma upon the 'barren' woman or 'childless couple'. But similarly, having created a child, there can be no obligation upon us to rear or nurture that child either as 'mother', 'father' or 'parent'. Our right to self-determination and society's interest in the child as a comrade who has a claim upon it, requires society to provide a range of nurturing and socialising arrangements for those who decide they have no wish to play the role themselves.

The principles of equality and self-determination also mean that the artificial notion of the family as we understand it must dissolve and disappear.

The child must have the right to form nurturing bonds and become socialised in whatever manner and from whoever she/he chooses. The 'right' of the parent in our society to control this process can have no force in a free society.

The parent has no superior right to decide who fulfils this role for 'their' child.

Of course we know that the process of socialisation in the first twelve months of a child's life benefits greatly from the intense interactions that can exist between 'parent' and 'child' and from stable living arrangements so the idea of biological parents taking the primary nurturing and socialising role in this period has some value.

But this is a functional thing, arising from the nature of new-born children, not a moral thing arising from the bourgeois concept of the social institution we know as 'the family', with all its normative values.

From a relatively early age, then, the child will decide where it will live and who with, what it will wear and how it will behave, what it will learn and when, with her/his biological parents accepting and embracing those decisions in the same way that they would with their adult comrades. In fact, of course, the value-ridden labels of 'adult', 'parent' and 'child' will – and must – disappear.

This doesn't mean 'adults' won't live with 'children' (and 'children' with other 'children') if they choose to do so, in ways that look like a 'family' or 'extended family'. But this should be by free choice and in a relationship with the rest of society that precludes notions

such as 'parental rights' or 'family values'. And these must also be temporary arrangements.

Full socialisation requires each individual to be part of and engage with the rest of humanity within a universal society and not remain eternally separate from it as part of one 'family' distinct from others.

Such an approach will require us all to display much more empathy, interest and understanding of the processes involved in 'growing up'. We know that most children get most of their socialisation from their peers and not their parents. By being able to relate and engage with other adults on terms of equality and solidarity would both broaden their experiences and understanding and integrate them more quickly into a society of universal humanity rather than one of adults and children.

This requires quite an adjustment, particularly on the part of we, 'the parents'. We have been socialised into regarding 'marriage', 'the couple', 'having kids', 'the family' as both normal and beneficial. We sympathise with the woman who cannot conceive, recoil in horror from the mother who abandons her children, the father who deserts the family. Yet this morality is wholly bourgeois.

Working class people faced with children 'abandoned' by parents who died early, committed suicide, went mad or simply couldn't take it any more under the relentless pressure of the 'Race of Life', simply got on with rearing and nurturing them; they were ours, our family and community whether there was a biological relationship or not.

It is this community, this web of solidarity and mutual obligation, this universal society without the proprietarian ownership of the child or the claim of superior rights of 'parenthood' that we must rediscover and embrace if we are truly to be free, and in that freedom have the capacity to create the free society.

Odessa Steps

Ah, the irony...

Now that the various lies justifying the Iraq invasion and occupation have been exposed, the Bush Junta and Blair have come up with yet another rationale for their wars, the struggle against fascism.

As Donald Rumsfeld put it recently, "some seem not to have learned history's lessons ... once again we face similar challenges in efforts to confront the rising threat of a new type of fascism." A few days later Bush repeated the argument, asserting that the "war we fight today is more than a military conflict; it is the decisive ideological struggle of the 21st century ... As veterans, you have seen this kind of enemy before. They're successors to Fascists, to Nazis, to Communists, and other totalitarians of the twentieth century. And history shows what the outcome will be."

There are a few historical ironies in those statements. The most obvious is, of course, that Bush's grandfather, US senator Prescott Bush, made money being a director and shareholder of companies that profited from their involvement with the financial backers of Nazi Germany. It was Republicans, many of them right-wing admirers of Hitler and Mussolini, who used America's war weariness and desire to avoid international disputes to remain idle as Hitler took over Western Europe.

In fact, it was only when Japan attacked Pearl Harbour that America

became active in 'fighting fascism' (and who knows what would have happened if Germany had not declared war on America). Rumsfeld, of course, does not mention his own appeasement of Saddam back in the '80s or the continual Bush Junta support for friendly dictatorships across the globe (repeating the standard historical US policy).

Less obvious is the link between fascism and the organisation to whose national convention both these speeches were given, namely the American Legion. During the 1920s and 1930s the American Legion wholeheartedly supported fascism and saw itself as the US equivalent. In an interview in January, 1923, its Commander-in-Chief Alvin Owsley not only endorsed Mussolini and Fascism, but announced his readiness to do the same.

As he put it, "If ever needed, the American Legion stands ready to protect our country's institutions and ideals as the Fascisti dealt with the destructionists who menaced Italy." In reply to whether this meant taking over the government, he said "Exactly that. The American Legion is fighting every element that threatens our democratic government - soviets, anarchists, I.W.W., revolutionary socialists and every other Red ... Do not forget that the Fascisti are to Italy what the American Legion is to the United States."

In 1934, there was plot by a group of American businessmen and industrialists to overthrow the government of Franklin Roosevelt and install a fascist regime. Support for fascism in such quarters should come as no surprise given the way that the great American industrialists had employed secret spies and private police in American labour disputes for decades. The attraction of Italy where strikes are outlawed and workers knew their place was obvious.

Key players were Legionnaires, bankers and brokers, including business man Gerald G. MacGuire one of the small group of rich officers who initiated and financed the American Legion in 1919. He argued that "Roosevelt hasn't got the real solution to the unemployment situation, but we'll put across a plan that will be really effective. All unemployed men would be put in military barracks, under forced labour, as Hitler does, and that would soon solve that problem."

Given the history of the American Legion and its founders, speeches addressed to it about standing up to fascism are somewhat ironic. Particularly since the leadership retains its reactionary role, with its national commander declaring in August 2005 that it would "stand against anyone and any group that would demoralise our troops, or worse, endanger their lives by encouraging terrorists to continue their cowardly attacks against freedom-loving peoples ... We had



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hoped that the lessons learned from the Vietnam War would be clear to our fellow citizens. Public protests against the war here at home while our young men and women are in harm's way on the other side of the globe only provide aid and comfort to our enemies." So freedom is best defended by destroying it at home?

But, then again, we are talking about those persistent hypocrites, liars and appeasers of dictators which make up the Bush Junta. The 'fighting fascism' theme is just the latest of a long like to be used and abused regardless of fact, logic or relevance. As Huey Long put it, "Fascism in America will arrive on an anti-Fascist platform." The Bush Junta is proving him right.

IM

Damn bookfairs...

The best reason for not going to the Anarchist Bookfair is to avoid spending money. I find there are always many irresistible items on offer. The thing is to take no money, and get on with brain picking, making contacts across the spectrum, and retaining friendships.

However, I am offering £50 for one copy of the illustrated children's book I was given in about 1936 about the conquest/colonisation of Africa. Destroyed by the Communists because on the last page it said "Hooray! Here come the Trotskyists to liberate" and more recently destroyed by the trotskysts for containing "the Nigger people" and always destroyed by the capitalists for ending "from capitalist exploitation". My problem is that I do not know the author or title. I was given it in South Wales. It was a very formative book, profoundly influencing at least two people before it vanished.

Illyan

Homelessness

page 1

homes should be built each year, above and beyond existing plans. This is to address urgent housing need and to meet the target to halve the numbers of people living in temporary accommodation by 2010. Surely this is too little too late, it would still leave half a million children living in dire housing conditions that will blight their future lives.

Quiz answers

1. The Royal National Lifeboat Institute, an organisation of volunteers funded by donation which rescues hundreds of people in difficulty at sea every year. Without direction from government!
2. Anarchism! Makes you wonder what Leninists mean by 'democratic' if a theory based on federations of community and workplace assemblies, instant recall of mandated delegates, direct action and decision making from the bottom up is considered more 'anti-democratic' than fascism, Stalinism and monarchism!
3. He argued that "because the leaders of the CNT renounced dictatorship for themselves they left the place open for the Stalinist dictatorship." This was because the "dictatorship of a proletarian party" was an "objective necessity". So much for "workers' power".
4. Gaudi's Sagrada Familia and George Orwell. Orwell thought it was "one of the most hideous buildings in the world," although he did not say whether the red and black flag between its spires improved it or not.

REVIEW

Iain Mackay gets his teeth into a book which demolishes traditional economic beliefs

To paraphrase Nietzsche, economics is dead we have killed it with our disbelief. To see why, Steve Keen's excellent book *Debunking Economics* is essential reading (as is his webpage debunking-economics.com). It is an important work and recommended for anyone interested in finding out about the limitations of mainstream economics.

And what limitations they are! Keen goes into the crazy assumptions, methodology and contradictions of neoclassical economics in some detail, debunking key aspects of the dogma and showing not only when they contradict reality but also when they are logically inconsistent and contradict itself. Keen argues that it is impossible to ignore economics ("to treat it and its practitioners as we these treat astrologers") as it is a social discipline and so what we "believe about economics therefore has an impact upon human society and the way we relate to one another."

Despite "the abysmal predictive record of their discipline," economists "are forever recommending ways in which the institutional environment should be altered to make the economy work better," i.e. make the real economy more like their models (as "the hypothetical pure market performs better than the mixed economy in which we live" – pages 6-8).

Given that since the mid-1970s the promotion of the market and the reduction of government interference in the economy have become dominant, the "global economy of the early 21st century looks a lot more like the economic textbook ideal that did the world of the 1950s ... All these changes have followed the advance of economists that the unfettered market is the best way to allocate resources, and that well-intentioned interventions which oppose market forces will actually do more harm than good."

As such, "[w]ith the market so much more in control of the global economy now than fifty years ago, then if economists are right, the world should be a manifestly better place: it should be growing faster, with more stability, and income should go to those who deserve it." However, "[u]nfortunately, the world refuses to dance the expected tune. In particular, the final ten years of the twentieth century were marked, not by tranquil growth, but by crises" (page 2).

Anarchists argue that this is unsurprising as economics, rather than being a science is, in fact, little more than an ideology whose main aim is to justify and rationalise the existing system. Keen's book is a contribution to making economics less of a religion and more of a science by tearing up the foundations of economics and, as such, it should be essential reading for all.

As Keen argues, neoclassical economics simply presents an unreal picture of the real world. Economics treats a dynamic system as a static one, building models rooted in the concept of equilibrium when a non-equilibrium analysis makes obvious sense.

Keen notes that "By ignoring time in its analysis of the firm, economic theory ignores some of the most important issues facing a firm." Neo-classical economics "ignores time, and is therefore only relevant in a world in which time does no matter" (pages 80-81).

Economics even has problems with its favoured tool, mathematics. As Keen indicates, economists have "obscured reality using mathematics because they have practised mathematics badly, and because they have not realised the limits of mathematics." Indeed, there are "numerous theorems in economics that reply upon mathematically fallacious propositions" (page 258 and page 259). As an example, he points to the theory of perfect competition, which assumes that while market economics is based on a continuing decrease in demand for goods, an individual firm in 'perfect competition' is so small that it cannot affect the market price and, consequently, demand for their produce remains stable. In other words, economics breaks the laws of mathematics.

A key chapter is Keen's discussion of the Cambridge Capital Controversy when dissident economists pointed out that the neoclassical justification for profits as the contribution of capital to output was deeply flawed. While leading neoclassical economists admitted that the critique was correct in the 1960s, today economic theory continues to use exactly the same concepts.

This is important, as this theory (marginal productivity) is used to this day to justify the current distribution of income, arguing that the widening gap between rich and poor simply reflects the market efficiently rewarding productivity.

The dissidents pointed out that capital goods cannot be added together over time unless you give them a price. Yet to do so would have to assume a rate of interest equal to the rate of profit. This means the 'rate of profit' on capital is meaningless, as it is based on circular reasoning and so profits cannot equal any contribution to production.

Even if you ignore this problem, marginal productivity theory still runs aground.

Keen shows the unscientific nature of economics by looking at the notion of diminishing marginal costs (required to produce a downward sloping supply curve). He presents a summary of the empirical evidence which contradicts this key assumption of economics. How has economics handled this consistent evidence accumulated over many decades? By ignoring it.

No other science would think it appropriate to develop theory utterly independently of the phenomenon under analysis. No other science would wait decades before testing a theory against reality. No other science would then simply ignore the facts, which utterly contradicted the theory, and continue to teach that theory as if it were a valid generalisation of the facts. This strange perspective makes sense once it is realised how key the notion of diminishing costs is to economics. In fact, if the assumption of increasing marginal costs is abandoned then so is much of neoclassical economics.



Demand is just as bad, with neo-classical economics itself proving that you cannot combine individual demand curves unless you apply some very surreal assumptions. This was forced upon it as the original versions of utility theory were used to justify the redistribution of wealth.

To avoid reaching that conclusion again economists had to show that "altering the distribution of income did not alter social welfare. They worked out that two conditions were necessary for this to be true: (a) that all people have the same tastes; (b) that each person's tastes remain the same as her income changes, so that every additional dollar of income was spent exactly the same way as all previous dollars."

The former assumption "in fact amounts to assuming that there is only one person in society." The latter assumption "amounts to assuming that there is only one commodity – since otherwise spending patterns would necessarily change as income rose." The net effect is that one essential building block of the economic analysis of markets, the demand curve, "does not have the characteristics needed for economic theory to be internally consistent" (page 24 and 25-27).

This is important because "economists are trying to prove that a market economy necessarily maximises social welfare. If they can't prove that the market demand curve falls smoothly as price rises, they can't prove that the market maximises social welfare." In addition, "the concept of a social indifference curve is crucial to many of the key notions of economics: the

argument that free trade is necessarily superior to regulated trade, for example, is first constructed using a social indifference curve. Therefore, if the concept of a social indifference curve itself is invalid, then so too are many of the most treasured notions of economics" (page 50).

Keen also debunks the notion that involuntary unemployment and recessions are impossible under free market capitalism. This law "evisage[s] an exchange-only economy: an economy in which goods exist at the outset, but where no production takes place. The market simply enables the exchange of pre-existing goods." This is "best suited to the economic irrelevance of an exchange-only economy, or a production economy in which growth does not occur" (pages 194-197).

Equally important is his critique of the standard model of the labour market which shows that "wages are highly unlikely to reflect workers' contributions to production". This is because economists treat labour as no different from other commodities yet "economic theory supports no such conclusion". At its most basic, labour is not produced for profit and the "supply curve for labour can 'slope backward' – so that a fall in wages can cause an increase in the supply of workers" (pages 111-112 and 118-119).

He stresses that the idea of a backward sloping supply curve for labour is just as easy to derive from the assumptions used by economists to derive their standard one. Thus economic theory "fails to prove that employment is determined by supply and demand, and reinforces the real world observation that involuntary

unemployment can exist" as reducing the wage need not bring the demand and supply of labour into alignment.

Keen also debunks the really ridiculous neoclassical theories of the stock market, noting that the modern theory is rooted in the ideas of a 1920s economist who had the decency to revise his theory when faced with the 1929 crash. His dissection of the Efficient Market Hypothesis is a classic, showing how it assumes that everyone is identical in terms of what they know, what they can get and what they do with knowledge and cash.

This insane theory is at the root of the argument that finance markets should be deregulated and as many funds as possible invested in them. While the theory may benefit the minority of shareholders who own the bulk of shares and help them pressurise government policy, it is hard to see how it benefits the rest of society.

Keen presents alternative, more realistic theories which argue that finance markets show endogenous instability, result in bad investment as well as reducing the overall level of investment as investors will not fund investments which are not predicted to have a sufficiently high rate of return. All of which has a large and negative impact on the real economy.

So, all in all, an important book which should be considered essential reading by all radicals – otherwise you will be at a disadvantage when debating those who take economics seriously.

Debunking Economics: The Naked Emperor of the Social Sciences by Steve Keen, Zed Books, £17.95

A Sideways Look

There are times when it is very difficult to believe in the possibility of radical social change in this country. Since the defeat of the miners the one-sided class war has intensified, along with other structural changes in society which have made it more difficult to fight back.

The most obvious of these has been the growth of debt as a means of controlling people. I would dispute that the right to buy policy turned people into Tories, but it did encourage more debt, by having assets against which money could be borrowed. If you have a mortgage or own a property you can always get access to credit with the property as security. Much of the story of the British economy since Thatcher has been of the expansion of personal debt.

Debt also constrains you in the choices you can make. Few of us with mortgages or private rents could afford to be without work for long. It is natural that this feeling of insecurity flows through into attitudes to industrial action. The unions only ever call token one day strikes, because they know people can't afford to be on strike for long. In the '90s, Nalco used to call out key strategic sectors in local government, such as revenue collecting areas, with strike pay, but even this tactic appears to have disappeared now.

The workers at NHS Logistics are striking against their privatisation – and at least it is more than a token one day strike, but it is still only one or two day strikes on a rolling programme. It will not make the management back down, indeed it appears to be there solely to embarrass Labour at their Party conference. While I think Labour should be embarrassed (at least!), it's hardly going to stop the privatisation.

Let's be clear here – privatisation is about attacking workers' pay and conditions. The government wants to cut its bill for workers (though not consultants or ministers). It finds it difficult to do the dirty work itself, so it brings in private firms to do it for them. Sometimes, the unions extract concessions, for example pensions are protected if you're privatised after October 2005. However, all it takes is for your new employer to lose the contract when it is renewed and your pension is gone. Nor will bottom-end private sector employers pay for the "luxury of employing disabled people" as one particularly blunt manager said to me recently, talking about a colleague about to be stitched-up under TUPE (and to whom I will return in a future column).

Over the years – and the contracts – benefits and conditions are chipped away. You can't buck the market, we are told. But if everyone in the country feels like they're worse off, they'll spend less and there will be a recession – even some of the middle classes might suffer.

Maybe it's just my age, but I know lots of people at the moment currently being made redundant or desperate to

leave their job, seeing no future in it. The only people who talk positively about their future are the ones about to become students. How much worse do things have to become before we do something about it?

In 1988, no one could imagine the Berlin Wall coming down. It just seemed so permanent. By 1990 it was history. Things can change – and when they do we may be surprised by how fast it happens.

Svartfrosk

Blast from the Past

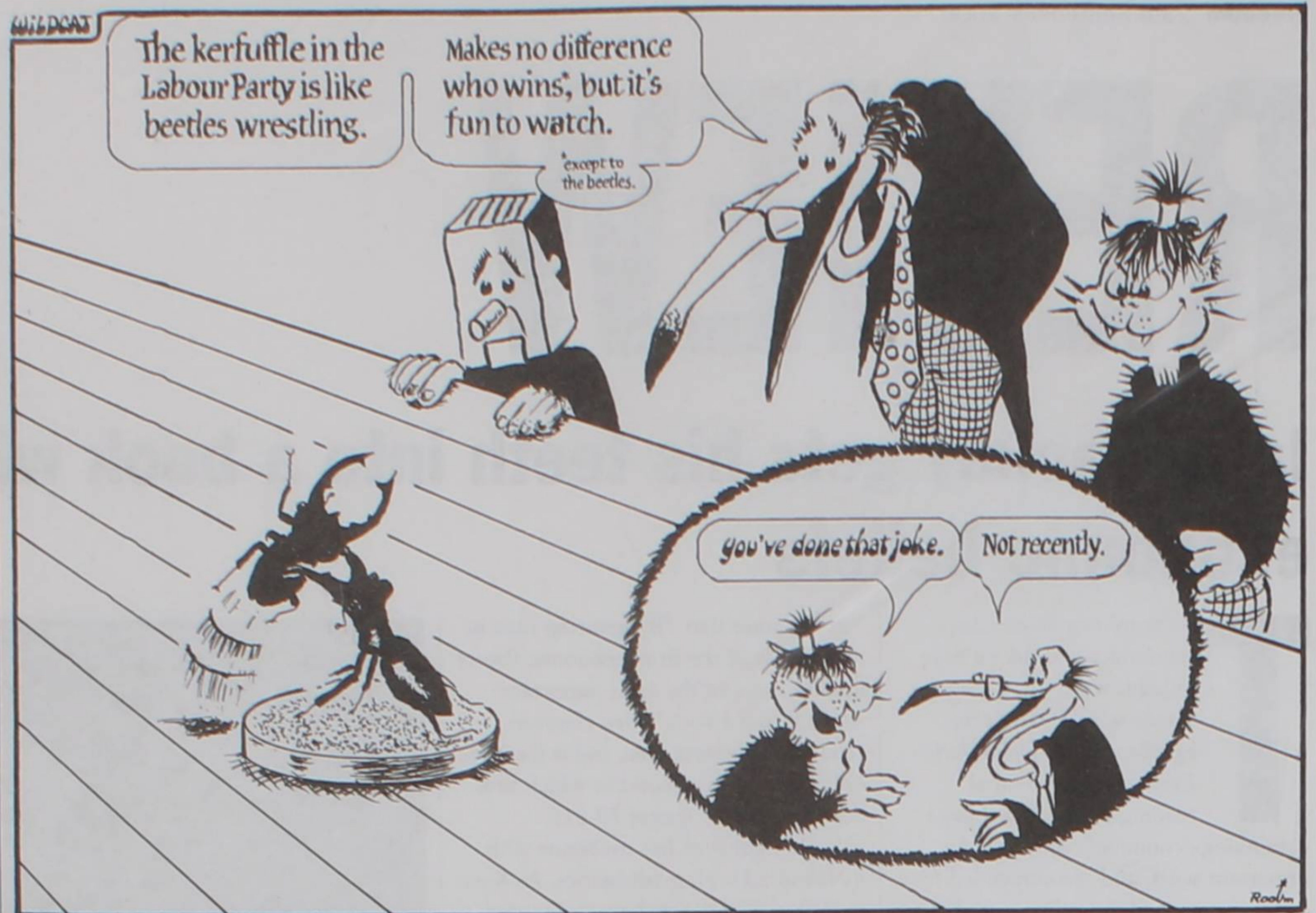
Taken from Freedom 15th September 1951, entitled 'Britain Takes the Next Step in Persian Oil Dispute':

The announcement by the Persian Prime Minister, Mr Mossadig, that a note would be sent to the British Government (via Mr Harriman in New York) informing them that unless the oil talks are resumed within fifteen days, the British Staff still remaining in Abadan will be expelled, has badly misfired, and the note will probably never be sent. There appears to be a growing opposition in the Persian Parliament to the Government's handling of the oil nationalisation, and the British Government has produced another trick that it had until now carefully kept up its sleeve: economic strangulation. Until there is a settlement of the oil question (1) Persia is deprived of the right to convert its sterling balances into dollars, (2) no country will be allowed to make any payment in sterling to Persia without authority of the British Treasury, (3) the export of essential goods from Great Britain to Persia is to be discontinued.

These measures have been taken in order 'to limit the harm which has been caused to the United Kingdom economy by the actions of the Persian Government'. Mr Oscar Hobson, City Editor, of the News Chronicle describes these measures as leaving it 'in no doubt that the Government is determined to use every legal and economic weapon at its disposal to bring Persia to due recognition of the fact that (contrary to widespread belief) even in international dealings honesty is the best policy'.

This seems to us an extraordinary interpretation of this normally outspoken economist. For the British Government's action, coupled with the announcement, on the same day, that the World Bank (of which Mr Hugh Gaitskell is a director) has postponed its investigations of Iranian conditions which might have resulted in a loan 'until the situation is clarified', shows the extent of the British stranglehold on Persia's economy. It would further explain the reason why the British Government insist on marketing all the oil produced by the Persian nationalised industry.

Persia's 'privilege' to convert sterling balances dates back to 1947 and is contained in a 'Memorandum of Understanding' entered into between the Bank of England and the official Persian Bank, the Bank Melli, whereby



it was agreed that dollars would be available to buy goods from Amerikkka only where the goods were unobtainable from Great Britain under 'equal terms'. In 1950 British exports to Persia totalled thirty million pounds. The corresponding figure for American exports has not been published.

Imagine if...

Gordon Brown checked his moral compass fretfully. He had promised the media it would guide him should he take over the reins of power (which he was categorically not plotting to get hold of until Blair wanted to step down, oh no).

He had been guided by it since his first move into politics all those years ago, and it had served him well in his years of infighting, keeping him strong in the face of temptation.

The chancellor's compass was a strange one, in that it had only two points, 'A' moral and 'B' moral. It only ever pointed at 'A', as the time for him to 'B' moral was long past, but sometimes, when his puritanical, socialist upbringing gave him twinges of doubt over some of the policies he was now helping to ram through the commons, it would creep round a point or two.

It never made it beyond halfway of course, but sometimes, such as when he reneged on all those promises he had made as a young politician to fight against nuclear missile payments, or when he was driving through NHS and education policies he knew would hurt working class families, it would tremble and whine.

But as he checked it today, it looked steady as a rock on the 'A' moral stance.

He turned back to his interviewer. "There is categorically no plot, but I will carry on Tony's policies of 'new individualism'. The economy is safe in my hands."

Listings

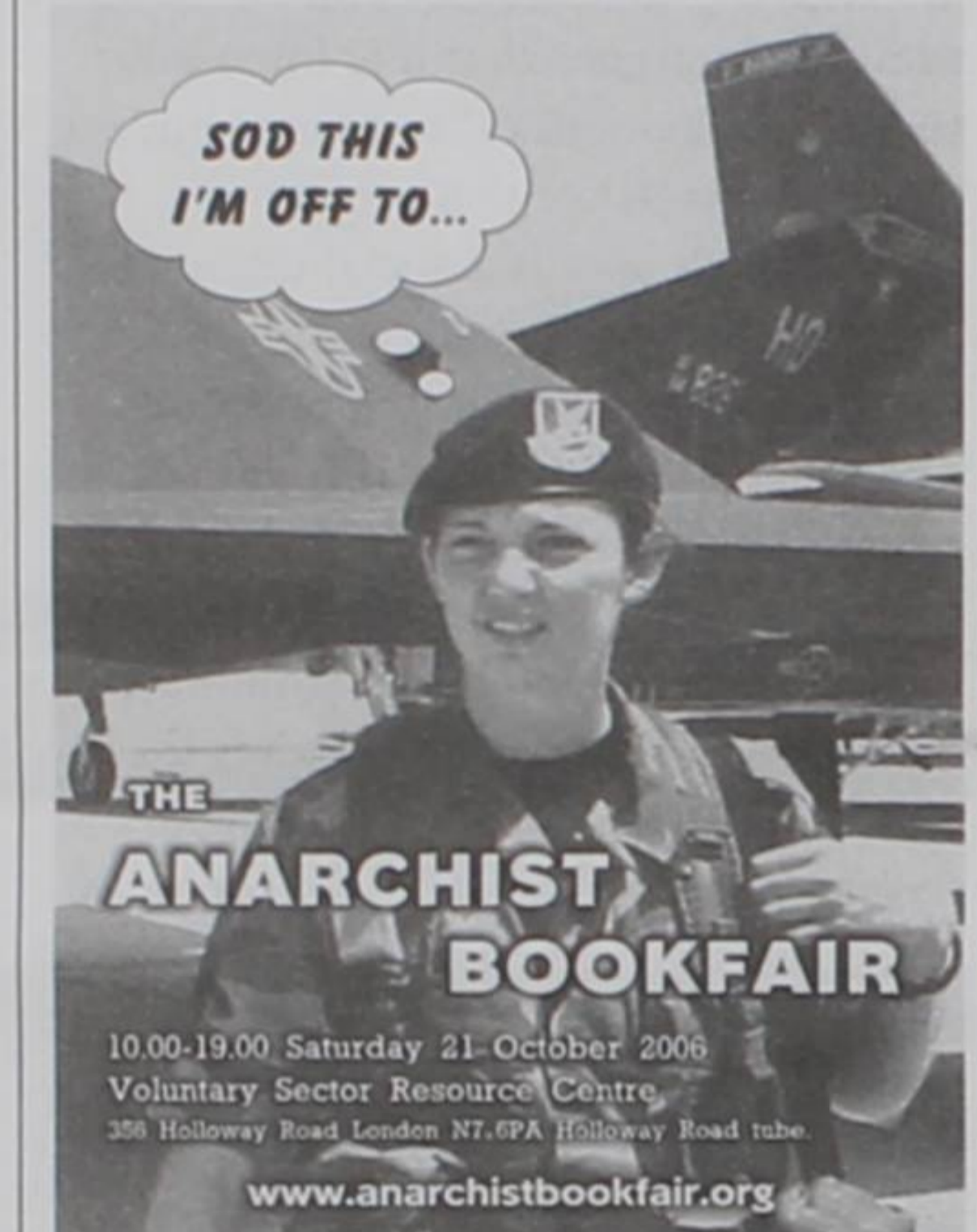
23rd September Fundraiser for the people of Palestine and Lebanon at the Basement Cafe, Lever Street, Manchester, with food, music, talks, films and a quiz from 7pm, email ursula.rothe@gmx.net
30th September Tenth European Hazards Conference in Jurmula, Latvia, over this weekend, for details see hazardscampaign.org.uk/docs/riga.htm
7th October Keep Space For Peace, action at NSA Menwith Hill from 12 noon to 4pm, see caab.org.uk

8th October Lakenheath Airbase demo at main gate, for details call 01508 550446 or see lakenheathaction.org
9th and 10th October Blockade Faslane nuclear submarine base as part of 'Faslane 365', a year of continual peaceful protest at the gates of this nuclear submarine base in western Scotland, see faslane365.org for info
9th October Sack Parliament demo, 1pm at the Houses of Parliament, London, see sackparliament.org.uk

16th October Campaign Against Arms Trade (CAAT) peaceful protest campaigning to close down the Defence Export Services Organisation (DESO) from 12.30pm at 2-12 Bloomsbury Way, London WC1, contact 020 7281 0297 or enquiries@caat.org.uk or see caat.org.uk/events/DESOactionday.php
17th October Preston SolFed public meeting, 'Walking the Talk', from 7.30pm at DISC, 103 Church Street, Preston, for info call 07707256682 or see solfed.org.uk/

21st October The 25th Anarchist Bookfair, from 10am to 7pm at the Voluntary Sector Resource Centre, 356 Holloway Road, London N7, see anarchistbookfair.org for more details.
4th November National Climate March as part of a day of international climate protest on the day before the Nairobi climate talks, demanding urgent action on climate all round the world, for

more see globalclimatecampaign.org
21st November Preston SolFed public meeting, 'Why does the scum always rise to the top?', from 7.30pm at DISC, 103 Church Street, Preston, for info call 07707256682 or see solfed.org.uk



The quiz

1. Which unlikely institution was praised by Kropotkin as an example of a vital service provided without the state's direction?
2. Which theory did Leninist Hal Draper call the "most fundamentally anti-democratic in principle"?
3. The SWP point to the Spanish Revolution of 1936 to prove anarchism is flawed. What was Trotsky's advice to the Spanish workers?
4. Which religious building survived the Spanish Revolution relatively intact and who thought that the anarchists had "showed bad taste in not in not blowing it up when they had the chance."

Answers on page 6

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