



## IV405 - October 2008

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## The Unfortunate Collateral Damage in the name of Peace

26 October 2008, by [Murray Smith](#)

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### Brief Background.....



**Aida Manungal, one of the 5 siblings and a father killed in an aerial bombing in Barangay Tee, Datu Piang on Sept. 8, 2008.**

In 2001, the peace talks between the Government of the Republic of the Philippines (GRP) and the Moro Islamic Liberation Front (MILF) came out with a Tripoli Agreement that defined the guiding principles of the peace negotiation including its mechanisms and talking points. These have become the bases in the coming out of a Memorandum of Agreement on Ancestral Domain (MOA-AD).

Since the last quarter of 2007, there

already had been sporadic attacks in several parts in Mindanao by some impatient MILF ground commanders purposely to put pressure for the immediate signing of the MOA-AD which was obviously being delayed by the unpopular Arroyo government.

To the surprise of everyone, the MOA-AD document, was hastily initiated by both the GRP and MILF peace panels on the eve (July 27, 2008) of the State of the Nation Address (SONA) of President Gloria Macapagal Arroyo (PGMA) given at the opening of the joint session of the Congress on 28 July 2008. Critics said that the initialing was just to show that her administration's peace program has successful despite of successive scandals and low popularity ratings.

The MOA-AD was supposedly be signed on August 5, 2008 in Kuala Lumpur but was aborted by a Temporary Restraining Order (TRO)

from the Supreme Court. It was due to a petition filed by some local government officials who reacted to the document after having known that their areas are to be covered by the Bangsamoro Juridical Entity, a territorial boundaries claimed by the MILF as Bangsamoro territory defined in the MOA-AD.

In reaction to the Temporary Restraining Order:

- MILF Brigade Commanders Ameril Umbra Kato and Abdullah Macapaar a.k.a. Commander Bravo launched separate attacks to the civilians in Lanao del Norte, North Cotabato and Sarangani provinces.

- The erring MILF commanders brutally victimized innocent civilians in four (4) municipalities in Lanao del Norte leaving 41 persons dead including children, women, farmers, vendors, bus passengers among others on August 18 attacks alone.

The atrocities done by the rogue MILF commanders encouraged the arming of civilians particularly in Christian populated communities paving the

way to an intensive militarization led by the Armed Forces of the Philippines. The indiscriminate howitzer bombing and air strikes resulted to nothing but more human rights violations, destructions and internal displacements.

## **Half a million people are displaced — physically and economically.**

As of this writing, military attacks in pursuit of the renegade MILF commanders continue to take place in Lanao, North Cotabato, Sariff Kabunsuan and Maguindanao provinces with out let up despite the observance of the Holy month of Ramadhan in September by Islam believers in Mindanao.

These military offensives are reportedly doing indiscriminate

shelling of mortars, howitzers bombs and other heavy artilleries marking the civilian death toll to over 200 persons while many are either injured or sick inside evacuation centers; 297 villages affected, 212 houses burned and a half a million populations are displaced and now languishing in evacuation.

## **Our Appeal....**

We appeal for your kind assistance to help meet the most urgent needs of the affected populations for food, medicines, potable water and containers, used clothing and books for children, sleeping mats and plastic sheets for temporary shelter.

We also ask you to send an appeal to our President Gloria Macapagal Arroyo along with her Generals at the Armed Forces of the Philippines, to the Philippine Congress and to the leadership of the Moro Islamic Liberation Front (MILF) to immediately stop the war and go back to the peace negotiating table with

mutually agreed framework.

For financial and material relief assistance, kindly channel them to:

Tri-People Organization Against Disasters (TRIPOD) Foundation, Inc.

38 Tulingan Street, Usman Subdivision, Bagua 2

9600 Cotabato City, Mindanao, PHILIPPINES

Telephone/fax No. +63 64 421 1369

Email: tripodcc@yahoo.com.ph

Bank Account Number : 370-700931-3

Bank Account Name : Tri-People organization Against Disasters (TRIPOD)

Bank Name & Address : Philippine National Bank (PNB)  
Makakua Street, Cotabato City  
Mindanao, Philippines

SWIFT/Bank Code : BRSTN  
27008-001-2

# **Consecrated with the Nobel Prize, the IPCC sees its recommendations kicked into the long grass**

25 October 2008, by [Daniel Tanuro](#)

A few weeks after the attribution of the Nobel Prize to the IPCC, the United Nations Conference on the climate in Bali (Indonesia), in December 2007, was, it will be remembered, the theatre of sharp debates over the undertakings that needed to be given in order to fight against climate change. The sharpest exchanges were focused on a crucial question: was it necessary for the resolution adopted at the conclusion of the conference to mention the quantified recommendations of the IPCC as regards the reduction of emissions of greenhouse gases? Very isolated and criticized, the United States had to accept that this would be the case. The Bali action plan - also

called a "roadmap" - recognizes that "deep cuts in total emissions will be necessary" and underlines "the urgency of confronting climate change as indicated in the fourth evaluation report of the IPCC". At this point in the document, a footnote directs the reader to page 776 of the contribution of Working Group III to the 2007 report of the IPCC and to pages 39 and 90 of the Technical Summary of this same contribution.

## **A world scenario of stabilization**

Having recourse to a footnote was obviously not accidental: by not

putting the recommendations down in black and white in the document itself, what was being done was to create confusion and uncertainty in public opinion, in order to leave room for manoeuvre. So it is important to recall that, correctly interpreted, the passages of the 2007 report which are referred to in the footnote hardly leave any room for ambiguity. The recommendations which flow from them are in fact the following:

- in order to respect equity, the emissions of the developed countries must decrease by between 25 and 40 per cent between now and 2020, and between 80 and 95 per cent between now and 2050, compared to the level

of 1990;

- world emissions must peak by 2015 at the latest;

- the objective to be reached on a world level in 2050 is a reduction from 85 per cent to 50 per cent, compared to the level of 2000.

Page 39 of the Technical Summary, to which the "roadmap" refers, consists of a table (Table I) and a series of graphs which show clearly that, among the six scenarios of stabilization that are presented, it is the first - the most radical one - that should be chosen. This scenario is in fact the only one which makes it possible for the rise in the average temperature of the globe, when balanced out, not to go much above 2°C compared to the preindustrial period: + 2 to +2.4°C, according to the experts of the IPCC [1]. To choose the second scenario of stabilization from that table - a reduction of emissions of between 60 and 30 per cent - would be to run the risk of a markedly greater rise in temperature: + 2.4 to + 2.8°C.



### **Table I " Classification of scenarios of stabilization according to various objectives of stabilization**

Source: Contribution of Working Group III to the 2007 report, Technical Summary, Table TS.2 page 39 (we have not included here scenarios IV to VI, without reduction of emissions compared to 2000, which imply rises in temperature of between 3.2 and 6.1°C)

Let us recall that a rise in temperature of 2°C (some say 1.7°C, that is to say +1°C as from the present) is generally regarded as the limit beyond which climate change would have dangerous consequences for humanity and for the ecosystems. And let us note in passing that this objective, according to the IPCC figures, is becoming increasingly difficult to reach. The thermometer is already showing +0.7°C. An additional rise in temperature of 0.7°C is moreover

"in the pipeline", delayed by the effects of inertia of masses of ices and water. In view of current trends, the rise will probably be higher than 2°C when balanced out, even in the event of " (very) deep cuts" in emissions. That is where we are, more than thirty years after the first cries of alarm of climatologists, sixteen years after the Summit of Rio, eleven years after Kyoto... A balance sheet that clearly puts in the dock the governments which claim to have things under control and a capitalist system that its supporters say is flexible and effective!

## **The human and ecological risks**

But let us return to climate projections and recommendations. The more the differential of temperature increases, the greater is the risk hanging over humanity and the ecosystems. Up to what point? The policymakers know the answer to this question, or should know it. Indeed they formally adopted an IPCC document which is crystal clear in this respect: the "summary for policymakers" of the contribution of Working Group II to the 2007 Report [2]. This document proposes in particular a diagram synthesizing the impact of climate change according to different possible rises in temperature in the 21st century [3]. Please note: in order to interpret this table correctly and to make comparisons with Table I above - which gives the variations in temperature compared to the preindustrial era - it is necessary to take account of the fact that the temperature already rose by 0.7°C during the 20th century: so a rise of 1°C in the 21st century means a rise of 1.7°C compared to 1780, and so on.



### **Figure I - Principal impacts as a result of an increasing rise in global temperature**

Originally figure SPM.2 from page 16 of the contribution of Working Group II to the 2007 report, available on the site [ipcc.ch](http://ipcc.ch)

We can see that the rise in

temperature which corresponds to the first scenario of Table I (from 2 to 2.4°C compared to 1780, that is to say from 1.3°C to 1.7°C in the 21st century) is sufficient to expose us to considerable dangers. We can also, and above all, see that from the point of view of the social and ecological impact, a qualitative difference separates this scenario I (between 85 and 50 per cent reduction of total emissions) from scenario II (between 60 and 30 per cent reduction, + 2.4 to 2.8°C compared to 1780). Let us underline in particular the following points:

- starting from a 2°C rise in the 21st century (2.7°C rise compared to 1780), millions of people could be victims of coastal floods each year;

- with a rise of between 2 and 2.3°C in the 21st century (2.7-3°C compared to 1780), the terrestrial biosphere would tend to become a net source of atmospheric carbon (green plants would emit more CO<sub>2</sub> by breathing than they would absorb by photosynthesis). This shift would cause global warming to accelerate, with the risk of climate change accelerating ("runaway climate change");

- the loss of biodiversity, already perceptible, would become increasingly great beyond +2°C (+2.7°C compared to 1780), to the point of evolving towards the extinction of a significant number of species;

- beyond +1.3°C in the 21st century (+2°C compared to 1780), the tendencies towards a decrease in cereal production would be accentuated, first of all in low latitude countries, then in other regions as well.

We can get an even more precise picture of what is at stake from a human and social point of view in the different scenarios by looking at another diagram proposed by certain specialists (Figure II), which traces the evolution of the number of victims of climate change as a result of global warming, in four fields: shortage of water, malaria, famine and coastal floods. It is easy to see that, between a rise of temperature of a little more

than 1°C and a rise of 2°C, the number of victims of coastal floods and famine would be multiplied by approximately two, while the number of those infected by malaria and of people suffering from a shortage of water would be multiplied by 3.5 [4]. Thus, many studies converge towards the same conclusion: the threshold of danger is a rise of around 2°C compared to the preindustrial period.

(Note: The Special issue of Inprecor on the climate has a table which estimates of the number of additional victims of different consequences of climate change in 2080, for different rises in temperature. We aim shortly to reproduce here the diagram already published on page 17 of that issue.)

## **Serious concern for the poor of the poor countries**

It has become banal to say that the vast majority of the potential victims of climate change are the poor, in particular the poor of the poor countries. Concern for them is all the more acute in that the means that the South has to adapt to the now inevitable part of climate change are completely insufficient, indeed virtually non-existent. According to the United Nations Development Programme (UNDP), the necessary adaptation [5] would require a North-South transfer of 86 billion dollars per annum by 2015 (44 billion for the infrastructures, 40 billion for the programmes aimed at combating poverty, 2 billion to reinforce the systems for combating catastrophes) [6] However, the many funds for adaptation created in recent years amount to only 26 million dollars. Eighty six billion, 26 million: the difference between these two figures is likely to result in hundreds of millions of human victims, mainly children, women and the elderly.

Eighty-six billion dollars accounts for scarcely 0,2% of the GDP of the developed countries. But no one should count on the generosity of the governments of the rich countries. These governments are investing in adaptation... in their own countries.

The UNDP makes in this respect two extremely revealing comparisons: the paltry 26 million dollars that is today available to finance the adaptation of the South corresponds to the sums that the government in London spends every week to maintain the network of flood barriers in Great Britain, and the budget that the Land of Baden-Wurtemberg has decided to consecrate to the fight against floods is more than twice as high as the sums available for the adaptation of the developing countries as a whole [7].

## **The key IPCC recommendation: between -80 and -95 per cent in the developed countries**

The IPCC, as we have seen, is not satisfied with recommending global reductions of emissions at different times: it also proposes to re-apportion these reductions between countries of the North and those of the South. This point is absolutely decisive. Indeed, this different re-apportioning flows logically from the fact that the developed countries, which comprise a minority of the world's population, are historically responsible for at least 75 per cent of climate change. Under the pressure of the countries of the South, the Rio Summit (1992) was thus led to include the principle of "common but differentiated responsibility" in the United Nations Framework Convention on Climate Change (UNFCCC, ratified by virtually all countries, including the USA). In this respect, it is of crucial importance that the "Bali roadmap" refers to page 776 of the contribution of Working Group III to the 2007 Report of the IPCC. Why? Because this page proposes another table (Table II), which gives the reductions in emissions to be carried out respectively in the developed countries (Annex I) and in the developing countries (non-Annex I), from the point of view of climatic justice, and which does so for three scenarios of stabilization [8].



### **Table II "Range of differences between emissions in 1990 and emissions attributed to 2020-2050 for various levels of concentration, for Annex-1 and non-Annex 1 countries, as groups**

Source: Contribution of Work Group III to the 2007 evaluation report of the IPCC, page 776. The scenarios A, B and C correspond roughly to scenarios I, III and IV of Table I

Of these three scenarios, it is obviously the first - stabilization with 450 ppmCO<sub>2</sub>eq - which must be retained. For the reasons already invoked above: by comparing with the data of the Technical Summary (Table I), we see in fact that the second scenario - stabilization with 550 ppmCO<sub>2</sub>eq - and the third - stabilization with 650 ppmCO<sub>2</sub>eq - correspond to rises in temperature of 2.8-3.2°C and 4.0-4.9°C, respectively. That must be categorically rejected! In fact, "most interpretations of equity" [9], according to the IPCC, lead to the conclusion that, in the case of a stabilization at 450 ppmCO<sub>2</sub>eq, the developed countries have to reduce their emissions by between 25 and 40 per cent in 2020 and by between 80 and 95 per cent in 2050, compared to 1990. In other words, to almost completely decarbonize their economies in the next forty years.

The least that we can say is that the importance of the footnote in the "Bali roadmap" is inversely proportional to the space it occupies in the document: two lines in small print refer to a series of figures and data which, when you compare them with each other and with certain positions taken in the "summaries for policymakers" (adopted by the governments!), make all the difference between a noisy but hollow declaration of intention and a precise commitment, concretely binding on political leaders. In my opinion, this point has been and remains underestimated by many observers. In particular in certain activist milieux, where people often prefer to point to the IPCC tendency

to underestimate climate change. This underestimation is indeed indisputable, and in certain cases admitted by the IPCC itself (see the box). But let us not throw out the baby with the bath-water: the Bali footnote is an invaluable asset. The battle for its precise content to be made known and taken into account constitutes a major tactical and strategic element, vis-a-vis governments, social movements and public opinion. On the eve of the Poznan Conference (December 2008), and a year before the Copenhagen Conference (which is supposed to lead in December 2009 to a new international treaty, intended to replace the Kyoto Protocol in 2013), it is urgent to take up this challenge. Because the ink was hardly dry on the document adopted in Bali before the representatives of the most powerful countries on the planet were already fiddling some figures and ignoring others, in order to circumvent the recommendations of the scientists or manipulate them to their advantage. That is what is revealed in particular by the positions of the G8 and the European Union.

## **The “unambiguous aspiration” of the G8: 50 per cent in 2050**

Meeting in Toyako, Japan, at the beginning of July 2008, the G8 adopted an official statement in favour of a reduction of global emissions by 50 per cent in 2050. Not only is the year under review not clear (the Japanese Prime Minister Yasuo Fukuda initially evoked the year 1990, then changed his mind and mentioned the year 2000) [10] but moreover this document mentions neither intermediate objectives for 2020, nor a reduction of between 80 and 95 per cent by the developed countries, nor a global reduction of 85 per cent by 2050 (the highest level of the “IPCC scale”). In other words, the G8 is violating both the precautionary principle and the principle of joint but differentiated responsibilities, that is to say the most elementary climatic equity.

This position adopted by the most industrialized countries is almost perfectly in phase with the requirements of big business. Indeed, in a climate memorandum addressed to the summit of Toyako, the World Economic Forum wrote as follows: “The new framework (post Kyoto, D.T.) must be complete, oriented towards the long term, towards results and towards the market, in order to be environmentally and economically effective. The principal economies must all sign up to it, including the USA, China and India. It should lay down an unambiguous international objective of a significant reduction of emissions, such as an aspiration (sic) to reduce global emissions by at least half between now and 2050. This would be in agreement with the fourth evaluation report (of the IPCC, D.T.) and with the position adopted at last year’s summit in Heiligendamm, which the leaders of the G8 agreed to examine seriously” [11].

The wind has definitely turned within the ruling class: the economic sectors which deny the reality of climate change and which are opposed to a substantial and obligatory reduction of emissions are now in a minority. In fact, concerned about having clear long-term perspectives and regulations that are harmonized on a world level, the majority of large companies have come over to the strategy worked out by Nicholas Stern in his report for the British government: not to refuse to admit the reality of the climatic threat, to exploit this threat to try and impose new sacrifices on workers, to exert their influence so that the transition towards an economy without carbon takes place according to the rhythms and the modalities that are dictated by profit, to put on the same footing the protection of the tropical forests and the reduction of emissions in the countries of the North (in order to gain time), and to generalize “flexible mechanisms” - so that the bulk of the effort of reduction is carried out in the developing countries (in the form of juicy investments for the multinationals) [12].

In this strategy, communication occupies a place that is far from negligible. Considering how concerned public opinion is, it is

important for the system to give the impression that it is in tune with scientific expertise and is applying the recommendations of the prestigious IPCC. The figure “50 per cent less in 2050” is selected for its symbolic force and because it corresponds, and only just, to the lowest level of the recommendations of the experts... while remaining hazy about immediate objectives. Actually, spread out over 50 years, supposing that the flexible mechanisms make it possible to externalise effort to the maximum, and supposing also that the protection of the forests is included in the calculation of the fall in emissions [13] this objective, for the big companies, will hardly imply any significant reductions: the spontaneous rise in energy efficiency could almost be enough to concretize it. There is no question, however, of tying the hands of capital: the memorandum of the World Economic Forum talks about the 50 per cent as an “aspiration”, not an obligation... An “unambiguous aspiration”: you can’t be too careful!

## **The guiding role of the EU... against the IPCC recommendations**

The role of the European Union in the new capitalist climate policy deserves very particularly to be denounced. Let us remember that, in June 1996, the European Council adopted the objective of a rise in temperature not exceeding 2°C compared to the preindustrial period. This position was reiterated on March 23, 2005: “to fulfil the ultimate objective of the United Nation Framework Convention on Climate Change, the increase in the average annual world surface temperature should not exceed 2°C compared to the levels of the preindustrial epoch”. We have seen that a rise of a maximum of 2°C requires a stabilization of the concentration of greenhouse gases at between 445 and 490 ppm of CO<sub>2</sub>eq, which means reductions in emissions considerably higher than the 50 per cent adopted by the G8, in particular for the developed countries. The decision-makers of the EU know this:

the Council of Ministers of the Environment, on March 10, 2005, took note of it and put it in writing. But words are one thing, acts are quite another. Let us quote some examples:

- it was the Europeans Tony Blair and Angela Merkel who opened the way to the 50 per cent goal, in the meetings of the G8 (respectively in Gleneagles in 2005 and Heiligendamm in 2007);

- the "energy-climate package" proposed by the Commission in January 2008 contents itself with a reduction in the emissions of the EU by 20 per cent in 2020, whereas the IPCC recommends between 25 and 40 per cent by this date for the developed countries [14]; - European companies can delocalize a greater and greater part of their reduction effort towards the countries of the South: for the period 2008-2012, the ceiling for the import of carbon credits in the EU is significantly higher than the objective of the reduction in emissions [15]

Beyond the beautiful speeches, the conjuring tricks, and the fulsome flattery of the IPCC, the EU is in the vanguard of a capitalist policy in response to climate change that seeks to give the illusion of being radical and ethical, while turning its back on science and trampling justice underfoot. Behind the scenes, the big companies are rubbing their hands with glee: the European market in emission rights is bringing them juicy profits [16]. In a general manner, the policy of the EU is positioning them as well as possible on the market in clean technologies. So the satisfaction of Jose Barroso is unfeigned when he says that the decision of the G8 testifies to a "new, shared vision" and that the decision to reduce emissions by 50 per cent in 2050 "puts the negotiations on the road to a new international treaty in 2009" [17]. A new international treaty? Perhaps... if the developed countries and the emerging countries manage to get an agreement... that is accepted by the poorest countries. But a treaty which is very likely to trample on the precautionary principle and to kick the principle of common but differentiated responsibilities into the long grass. A new treaty whose incredible cynicism in the service of the business world could result in suffering and death for

hundreds of millions of people, as well as the destruction of innumerable forms of the richness of nature.

This policy is today more dangerous than that of Bush, for the simple reason that the probability of its implementation is greater. We do not have to look very far to find the concerns which underlie it. In his famous report, a real climate manual for the use of liberal politicians and employers, Nicholas Stern is not afraid to write in black and white that it is necessary "to avoid doing too much and too quickly", because "a great uncertainty remains as to the costs of very great reductions. To descend as far as reductions in emissions of between 60 and 80 per cent or more will require progress in the reduction of the emissions of industrial processes, of aviation and of a certain number of domains where it is difficult for the moment to envisage effective approaches in terms of costs" [18]. Becoming conscious, extremely tardily and painfully, of the gravity of the situation, capital and its spokespersons are really forced to do something, but, for these leeches, safeguarding profits and super-profits comes before anything else.

In the battle to inflect, truncate and denature the IPCC recommendations, the most active and most nefarious lobbies are without any doubt those of oil, coal, the car industry, shipbuilding, in short the sectors most dependent on fossil fuels. The reason is obvious: according to certain estimates, the sale of products resulting from the refining of oil represented - before the surge in prices over the last year - approximately 2000 billion euros on a world scale. The costs (from prospection up to refining and transport) amounted to scarcely 500 billion euros [19]. On the basis of a "normal" rate of return of 15 per cent, that leaves an astronomical sum of 1425 billion euros of super-profits per annum, in addition to the average profit. It is not indispensable to be a Marxist to understand that the recipients of this gold mine are fighting inch by inch to maintain their privileges as long as possible [20]

Putting profits and super-profits before the climate: the scandal is

enormous. However, there are really very few people who dare to state this truth. Among them, we should salute a scientist with an international reputation: James Hansen. Invited to testify before the United States Congress, last June, the chief climatologist of NASA declared: "Special interests have blocked transition to our renewable energy future. Instead of moving heavily into renewable energies, fossil companies choose to spread doubt about global warming, as tobacco companies discredited the smoking-cancer link. CEOs of fossil energy companies know what they are doing and are aware of long-term consequences of continued business as usual. In my opinion, these CEOs should be tried for high crimes against humanity and nature." [21] Mutatis-mutandis, this condemnation also goes for the governments which are concocting a new climate treaty according to the interests of these same bosses. A vast international social mobilization is more than ever necessary to impose a treaty that conforms both to the recommendations of scientists and to the requirements of social justice. Failing that, humanity is likely to have to discover that capitalism is far from having given the full measure of the cruelty of which it is capable.

## **Postscript: Why the recommendations of the IPCC must be interpreted as the minimum that is necessary**

In particular because of the procedure followed for the drafting of the reports, the recommendations of the IPCC rest on projections which, far from over-estimating climate change, tend rather to underestimate it. The G8 and the EU know this, because the IPCC, on certain questions, does not attempt to hide this reality. We will illustrate this point by two examples: on the one hand, the incomplete taking into account of the icecaps

disintegration in Greenland and in the Antarctic, and on the other hand too much optimism as regards the transition towards low carbon technologies.

The estimates of the rise in the level of the oceans are the least robust of the projections of the IPCC: from 1990 to 2006, the rise observed was 3.3 mm/year, whereas the expectation was 2mm/year [22]. The difference - of 60 per cent - could come from the difficulty in modelizing the behaviour of the glaciers. The contribution of Working Group I of the IPCC informs us in fact that "the dynamic processes related to the melting of the icecaps, not included in the present models but suggested by recent observations, could increase the vulnerability of the icecaps to global warming, increasing the future rise in the sea level" [23]. This short phrase did not receive the attention which it deserves. According to the projections of the last report, the rise in the sea level could range between 18 and 59 cm between now and 2100. These figures do not include the possible effect of the phenomena of abrupt disintegration of the icecaps. Several years ago the chief climatologist of NASA, James Hansen, sounded the alarm on this subject. Recently, with eight other renowned scientists, he proposed to the review Science an article which tries to quantify the possible impact of the "dynamic processes" without resorting to models, by a reasoning based on the history of the paleo-climates [24]. The conclusions are more than worrying: according to the authors, the accumulation of greenhouse gases is taking us away from the conditions which allowed the formation of the icecaps, 35 million years ago. The rise in the level of the oceans corresponding to 385ppm of CO<sub>2</sub> - its present concentration - could be "several metres at least" and the history of Earth proves that such a rise can occur in less than a century.

In a quite different field, other researchers estimate that the recommendations of Working Group III of the IPCC as regards reductions in emissions are based on too optimistic scenarios of a spontaneous fall in energy intensity (more than 1 per cent per annum) and in the carbon intensity of economic growth. Energy

intensity and carbon intensity are two parameters which respectively indicate the quantity of power consumed and the quantity of carbon emitted in the form of gas to produce one point GDP. It can be noted empirically that these parameters have decreased quite regularly since the Industrial Revolution. If this tendency continued, i.e. if we continued between now and 2050 to consume relatively less energy and to emit relatively less carbon in order to produce the same wealth, it goes without saying that the effort necessary to reduce emissions in a given proportion would be less than if the intensity were stationary, or increased. That is the assumption that Working Group III made. However, it seems inaccurate: the carbon intensity observed since 2000 is higher than the IPCC assumptions. This higher level is due in particular to the massive investments of capital in China and India, investments which have involved the construction in these countries of many new coal power plants, producing electricity at a cheap rate [25]. The impact is considerable since, according to certain sources, 17 per cent of the rise in world emissions since 2000 is due to the rise of the carbon intensity of the economy, in other words to the use of more polluting technologies [26].

For non-specialists, it is quite hazardous to discuss these questions in detail. It remains true that certain criticisms addressed to the IPCC, in particular those above, are extremely serious. Examined from the point of view of the precautionary principle, they make even more scandalous the decision which seems likely, of choosing the lowest recommendations of the experts: it is the opposite that should be done. That is why we argue that the recommendations of the IPCC must be regarded as the minimum that is necessary.

## Footnotes

[1] Contribution of Working Group II to the 2007 Report of the IPCC, Technical Summary, Table TS.2, page 39

[2] Summary for policymakers of the Contribution of Working Group II to the 2007 Report of the IPCC. Contrary to the reports properly so-called and the "Technical Summaries", the "Summaries for policymakers" are discussed word by word and adopted by the representatives of the governments. These are the documents which commit states

[3] Contribution of Working Group II of the IPCC, Summary for policymakers, Figure SPM.2, page 16. The inclusion of this table in the summary intended for decision makers was the subject of sharp debates with the representatives of certain governments.

[4] For a more thorough commentary on this document, see Daniel Tanuro, "A major social and political challenge", International Viewpoint 389, May 2007

[5] The climate agreements designate by "adaptation" and "mitigation" the two elements of a strategy in the face of climate change. The more "mitigation"- in other words, the decrease in emissions and the increase in carbon absorption or storage - is strong and rapid, the less important is adaptation, and vice versa

[6] UNDP, "Human Development Report 2007/2008. "Fighting climate change: Human solidarity in a divided world."

[7] UNDP, op. cit.

[8] Contribution of Working Group III to the 2007 Report of the IPCC, entire document, Box 13.7, page 776

[9] Technical Summary of the contribution of Working Group II, page 90

[10] Angela Merkel, at the Heiligendamm summit of the G8, was intentionally vague about the year of reference for an eventual reduction of 50 per cent. See

Daniel Tanuro, "Le climat au G8; effet d'annonce et maquignonnage sur la voie d'un nouvel accord"  
<http://www.europe-solidaire.org/spip.php?articles6350>

[11] "CEO Climate Policy Recommendations to G8 Leaders", World Economic Forum and World Business Council for Sustainable Development, July 2008 ( REF 3000508)

[12] See "Post-Kyoto is likely to be very liberal", Daniel Tanuro, International Viewpoint 387, March 2007. See also "Qui va payer l'echec sans precedent du marche? Le rapport Stern, ou la strategie neolibérale face au changement climatique À» <http://www.mondialisation.ca/index.php?context=va&aid=4564>

[13] This assimilation, protection of forests = reduction of emissions was approved in Bali. See Daniel Tanuro, "The Bali conference on climate change, an initial balance-sheet", [http://www.europe-solidaire.org/spip.php?article8698&var\\_recherche=daniel%20tanuro](http://www.europe-solidaire.org/spip.php?article8698&var_recherche=daniel%20tanuro)

[14] It is true that the objective would rise to 30 per cent if there was an international agreement, but this figure remains in the lower part of the scale of the

recommendations by the experts. Thus the EU is steering the negotiations in a restrictive sense

[15] Ceiling for the importing of credits, 2008-2012: 280Mt/year; reduction in emissions: 130Mt/year. For the period 2013-2020 "pollution rights" could cover a quarter of the undertakings by enterprises. "Proposition de directive du Parlement européen et du Conseil amendant la directive 2003/87/EC dans le but d'améliorer et d'étendre le système communautaire d'échange de quotas d'émission À» - COM (2008) 16 provisional.

[16] We can find an excellent critique of the market in carbon in Larry Lohman, "Carbon Trading. A Critical Conversation on Climate Change, Privatisation and Power, Development Dialogue, No 48, September 2006

[17] Reuters, 8/07/2008

[18] Stern Review, page 247

[19] Jean-Marie Chevalier, "Les grandes batailles de l'énergie", Gallimard 2004

[20] The Paris daily Le Monde recently gave us a particularly revolting example: the sumptuous

yachts that the magnates in oil, gas, nickel, etc., have built for themselves - rivalling with each other in their luxury - consume more than 2000 litres of diesel an hour! We should point out that the emissions of the maritime sector, as well as those of air travel, are not subject to reductions in the framework of Kyoto.

[21] The full text of Hansen's speech of June 23, 2008 can be found on the site of Columbia University; "Global Warming Twenty Years Later: Tipping Points Near".

[22] Article in Science, quoted in Le Monde 2/02/2007

[23] Contribution of Working Group I, Summary intended for decision-makers

[24] "Target Atmospheric CO2: Where Should Humanity Aim?", Hansen et al. Article for Science, available on line at [www.arxiv.org/abs/0804.1126](http://www.arxiv.org/abs/0804.1126)

[25] "Dangerous Assumptions", Pielke, Wigley and Green, Nature, Vol 452/3, April 2008

[26] Figures from the Global Carbon Project, quoted in Le Monde, 72/09/2008

## 65 hours? We can stop them!

12 October 2008, by [Esther Vivas](#), [Josep María Antentas](#)



**Esther Vivas**

Image: Wikimedia

Against this serious backward movement, this October 7, a day of mobilization called in several EU countries is taking place.

The new "65 hour Directive", as it is known, allows the working week to be extended up to 60 or 65 hours,

accentuates its flexibility and irregular distribution, and favours individual contracts between companies and workers to fix its duration, thus eroding collective bargaining and individualizing labour relations. An increase in the working day is synonymous also with greater work related risks, health problems and more difficulty in balancing working life with family and personal commitments.

Its content connects with the neoliberal logic of European

integration, with the approach derived from the Lisbon Strategy approved in 2000 and with the spirit of the failed European Constitution and the later Treaty of Lisbon which includes the essential content of that Constitution. Once approved, the measures envisaged will affect first and foremost precarious and immigrant workers. A labour market with high rates of unemployment and precarity like that of the Spanish State will suffer particularly from the application of the Directive.

The systems of social protection and the regulations of the existing labour market in EU countries are an obstacle to the dominant classes in their fight for a hegemonic and competitive position within the global economy. For this reason, neoliberal reforms and the pressure on wage earners and on the bases of the so-called "European social model" are intensifying, seeking the reduction of labour costs, the dismantling of the systems of social protection and the super-exploitation of workers. The present context of economic crisis will accelerate still further this dynamic. The Directive on Return, the "Directive of Shame" which penalizes the immigrant population is a clear example of this.

The day of mobilization on October 7, with strikes of 5 to 15 minutes in workplaces, comes at the request of the European Trades Union Confederation (ETUC) which brings together the big unions of the continent. Traditionally, the ETUC has maintained a frustrating position of "critical support" for the logic of European integration, as was patent in the past debates on the draft "European Constitution". There has only been opposition to concrete initiatives judged to be "excessive"

like the first draft of the Bolkestein Directive, concerning liberalization of the public services. For this reason, the decision of the ETUC to oppose the "65 hour Directive" and call a day of mobilization is positive, although deeply insufficient. It should be the beginning of a real sustained campaign against the Directive and not merely a symbolic day without follow up. But for anything to happen it will be necessary to push from below, as is already known by most of the combative social and union movements who will participate on the day.

The fight against 65 hours is very defensive, intended to prevent a great backward movement and a reduction of long won rights. But it should be remembered that far from extending the day, what European workers need is its reduction. We do not want 65 hours, but 35 hours... or less!

Few regressive Directives have been stopped in their tracks in the history of the UE. Among those which have is that concerning the liberalization of port services, rejected by the European Parliament after an intense mobilization of the workers in that sector, including one "Euro strike" in January 2003 that involved more than 20,000 port workers and one "Euro

demonstration" in front of the Parliament in Strasbourg in March of the same year. The new revised version of the Directive was blocked again in January 2006 due to insufficient support in the Parliament, opposite which thousands of workers were again congregated, accompanying their protest with strikes in the main EU ports. The message that can be drawn from the success of the port workers seems clear: articulating resistance and giving a coordinated mobilised response on a European scale to neoliberal reforms is the path to follow. While adapting fatalistically to the neoliberal measures only leads to a continued loss of rights.

At the recent European Social Forum in Malmo (Sweden), in spite of its limits and the impasses in which it is sunk, new initiatives for coordination of the social movements opposing neoliberal globalisation were approved, among them an alternative meeting in Brussels in March 2008 during the summit of the EU Heads of State. Let us hope that these campaigns continue advancing towards that "other possible" and necessary Europe as much as they distance us from the interests of the employers.

## Looking for a second wind

12 October 2008, by [Leonce Aguirre](#)



### Translation headsets used at European Social Forum

Image: Wikimedia

The Fifth European Social forum (ESF) was less filled with enthusiasm than the preceding ones, in particular because the level of participation was lower (a little more than 10,000 entries) and because of the sometimes chaotic material conditions in which it took place. That is to be explained mainly by the, at the very least, limited engagement of the Swedish trade-union organizations. They are not very interested in Europe and in

the mobilizations that need to be to be organized on this scale faced with the policies of the European Union (EU), thinking, wrongly, that they have more to gain more by limiting their action only to a national framework in order to preserve social gains.

But there are other reasons that explain a certain running out of steam of the dynamics of the social forums. By confining political organizations to a subordinate role, the whole question of the global political alternative that must be counter-posed to neo-liberalism is evaded. The simple sum of the social movements will not make it possible to defeat liberal policies. Without a debate on strategy, the

slogan "Another Europe is possible" is just a hollow formula.

Having said that, the ESF remains an irreplaceable framework for exchanging experiences, for building and consolidating networks on questions like immigration, precarious work, the climate, or war. The demonstration which took place in the streets of Malmö brought together some 15,000 participants, which is a lot for Malmö and for Sweden. Better still, the general meeting of the social movements, which closed the ESF, adopted a declaration fixing four great objectives, a kind of common agenda for global justice activists.

The priority is to conduct a prolonged campaign, entitled "2009: to change Europe", on social questions and those relating to work, opposed to the reactionary policies of the EU, with the objective of a European initiative, in Brussels, in March 2009, on the occasion of the summit of European heads of state. The three other objectives are a European

demonstration in Strasbourg on April 4, on the occasion of the ceremonies celebrating the 60th anniversary of the creation of NATO; a counter-summit and a demonstration during the next meeting of the G8, in Sardinia; and, lastly, on the climate crisis, an initiative in Potsdam on December 6, as a prelude to the big international gathering envisaged in

Copenhagen in December 2009, during the world conference on the climate that is being organized by the United Nations. These four campaigns, as well as the preparation of the next European Social Forum, which will take place in Istanbul, are so many elements which can make it possible for the global justice movement to find a second wind.

## 70 years ago: the founding of the Fourth International

12 October 2008, by [François Sabado](#)



### Earlier issues of *Quatrième Internationale*, a predecessor of *International Viewpoint*

Image: Sirdon

The First International arose after the revolutionary explosions of 1848 in Europe. The Second International was the incarnation of the growth and the organization of the workers' movement at the end of the 19th century and at the beginning of the 20th. The Third International was launched after the Russian Revolution. But the Fourth International stood against the stream, at a time of major historical defeats for the workers' movement. Also, contrary to certain forecasts, in particular those of Trotsky who, taking the example of the Third International after the First World War and the Russian Revolution, foresaw the development of a mass Fourth International after the Second World War, it would remain a minority organization.

But the foundation of the Fourth International was not justified by forecasts or by responses to the conjuncture of the period; it was justified by the need, faced with the betrayals of social democracy and Stalinism, to affirm a historical alternative, a new political current which would ensure continuity and the programmatic, theoretical and political vitality of the revolutionary workers' movement. So it was not a

question of proclaiming a "Trotskyist International". It was necessary, at the moment when with the war "everything was going to pieces", to preserve the heritage of Marxism, not in order to put it "in cold storage" while waiting for better days, but in order to aid the political struggle and the building of revolutionary parties.

### Against the stream

The origin lay in the Left Opposition to Stalinism. But the Fourth International was much more than that. It maintained a certain vision of the world, marked by internationalism - which already flowed from a certain capitalist globalisation and was opposed to the "socialism in one country" of Stalin. Its whole struggle was conditioned by the class struggle, by the elements of a programme of transition towards socialism, by the united front of the workers and their organizations, by the independence of the workers' movement faced with the governments of class collaboration in the developed capitalist countries - the different formulas of the Union of the Left or the plural Left -, but also with respect to the national bourgeoisies in the countries dominated by imperialism, which would go down in history as the theory of permanent revolution. Where many commentators reduced their analysis of the world of the last century to camps or states - the USA and the ex-USSR -, the Fourth International put forward the struggle of the peoples

and the workers against their own imperialism and against the Soviet bureaucracy.

The Fourth International was not confined to defending Marxist ideas in a general or dogmatic way. Ernest Mandel, for example, analyzed the dynamics of the development of capitalism, from the 1950s to the end of the 1970s. Programmatic documents were discussed and adopted by international congresses, on the questions of socialist democracy, feminism and ecology. Faced with Stalinism, Trotsky and his movement had distinguished themselves, from the 1930s onwards, by tenaciously defending democratic socialism. These references have allowed many generations, especially today, at a time when school textbooks confuse communism and Stalinism, to distinguish between the Russian Revolution and the Stalinist counter-revolution, to maintain the objective of the revolution... and to be able, in spite of the defeats, "to start again".

Because our movement has also another singularity, even with respect to other Trotskyist movements: that of recognizing revolutionary, anti-imperialist and socialist processes, even despite their leaderships, of expressing unflinching solidarity with them against imperialism. We clearly defended the Chinese, Yugoslav, Vietnamese, Algerian, Cuban and Nicaraguan revolutions. In particular, our relationship with the experience of Che Guevara expresses this will to link

ourselves to these revolutionary processes.

## New period...

Now of course, that was not done without any political mistakes or faults. While combating Stalinism and expressing our solidarity with the peoples of Eastern Europe against the bureaucracy, our movement globally underestimated the extent of the destruction caused by Stalinism, which, when the Soviet bloc collapsed, left the road open, not to an anti-bureaucratic political revolution or to mass movements for democratic socialism, but to the restoration of capitalism. In our solidarity with the colonial revolutions, in this enthusiasm for living revolutions, we underestimated the problems which were linked to them. We did not sufficiently exercise the duty of

criticism. But the organizations of the Fourth International demonstrated other weaknesses, often linked to their small size: a propagandist character, some sectarian faults, a style of political "advisers" towards other and bigger forces, generally reformist parties ... "Do what we cannot do! ", we said to them...

Trotskyism also suffered from factionalism. There is a well-known proverb: "one Trotskyist, a party; two Trotskyists, two factions; three Trotskyists, a split..." Whereas, over the last 70 years, a number of revolutionary organizations and currents have disappeared, the Fourth International has maintained itself. It did not fulfil its historical objectives, it experienced ups and downs, there were major crises in certain countries - as in Brazil, recently -, but there have also been breakthroughs, as in France, and positive experiences, as in Portugal, Italy, Pakistan and the

Philippines. That is a considerable achievement.

At the moment when the LCR wants to write a new page of the history of the workers' movement, we have to know where we come from, in order to "enrich with a revolutionary content" the processes of reorganization of the workers' movement that are underway. Because this is indeed an historical turning point. The Fourth International is the product of a period marked by the driving force of the Russian Revolution, but its programme and the reality of the activity of its members go beyond this history. However, nothing is guaranteed. "New period, new programme, new party", that also means a new International. It cannot just be proclaimed, and the road will be long. But the comrades of the Fourth International will do their utmost to bring it into existence.

# " I promise to keep fighting until my last breath"

4 October 2008, by [Hugo Blanco](#)



## Hugo Blanco

A special thank also to Conacami, our friends in the indigenous and social struggle in Peru, and also to Wilbert Rozas, the mayor who set up the first local government governed by the indigenous communities, who travelled to Paruro as soon as he heard the news. Thanks to all this solidarity my liberation was quick...for now.

My relation to this case goes back to my childhood in Huanquite, Paruro, Cusco, when I got the news that the landowner Bartolomé Paz had let the buttocks of an indigenous farmer be branded with hot iron, with his initials: BP. Of course Mr. Paz was not arrested, that was not possible since he was a respected man. That act probably decided the purpose of my

life.

Now his son, Rosendo Paz, heir of the hacienda, takes neighbouring land in Markhura, belonging to the indigenous community of Tantarcalla. He has even set up a paddock specifically for stolen cattle, something that was reported by the owner.

The community has documents proving their ownership. In 2006 the members of the community came to the Farmers' Federation of Cusco, of which they are members, bringing their deeds, to ask for the presence of a representative from the federation at the ceremony, where the land was to be distributed amongst the members in order to be used. I was assigned this task by the federation. I fulfilled the task, which I immediately informed the local police station about. They did not object in any way or form.

At a later date, Rosendo Paz ordered the police in Huanquite to go and take the members of the community away, an order that was immediately executed. Since the farmers had the audacity to resist the attack, they were beaten and taken to the village and then to the city of Cusco. This included women with crying children. I was not present when these acts took place, but I was called to give a statement. Obviously, those who were classified as criminals were not the aggressors, but the victims of the aggressions.

When I was arrested and was told that I was accused of "Violence and Resistance to Authority", I thought that it was in relation to this act, at which I was not present. I was wrong, the judge had the good will to tell me. The crime of "Violence and Resistance to Authority" was committed by assisting to the ceremony of the land distribution, during which there was no violence at all and no state

representative was present.

I understand. We are in the country in which the Parliament, abdicating from their duty, authorised the cabinet to legislate in their place, against "Organised Crime". Alan Garc a used this authorisation to legislate against claims by organised people, penalising protest.

The victims of this word manipulation are the hundreds of people all around Peru who have been arrested and sentenced for claiming their rights. These are comrades who have the misfortune not to be well known, for which nobody raises their voice to protest on their behalf. Fortunately I did get the support necessary to be released quickly. I call on all the voices of solidarity, which with their swift action brought me out of prison, to protect together all the victims of the penalisation of protest. It seems

like Conacami have already started a campaign. Let us take part in that campaign. I will keep the addresses of all those who with their voices of solidarity set me free, in order to invite you to take part in the defence of other victims of repression.

As of my case, it is not finished. The system tends to leave the sword of Damocles just above the heads of those who protest, with the threat that if they do not change their attitude and close their mouths, the sword will fall.

The judge gave me an ambiguous document, in which I am called to attend on the 21 November. It is ambiguous because it is unclear whether I may be arrested again if I do not attend. In this way the interpretation is up to the repression and the political needs of the regime.

This is the kind of documents they tend to give out. They mean: "If you keep quiet nothing will happen, but if

you keep on protesting you will be incarcerated".

How can they explain my arrest for an event that took place over two years ago, without asking me to give a statement in all that time, when I was called, attended and gave a statement for a later event?

The explanation is that my local activities were not bothering them much back then. Now on the other hand, when all the countryside is moving because of the fierce attacks on indigenous communities, organisations from around the country invite me to talk about the attack and to coordinate the defence, the prime minister calls me old-fashioned and my activities are bothering them.

I promise to keep fighting until my last breath against the oppression against our peoples, which began five centuries ago.

## Their Crisis, Our Consequences

4 October 2008, by [Charlie Post](#)



What do we make of the current financial meltdown? Clearly the collapse of the subprime mortgage market was the immediate trigger for the crisis, although, as Doug Henwood has pointed out, subprime mortgages make up at most about one quarter of the mortgage market, and only 10%-15% of these loans are at risk of default. The deregulation of the financial sector -- begun under Reagan and the first Bush, and completed under Clinton -- has led to the mushrooming of financial derivatives (hedge funds, mortgage-backed bonds, etc.) with little foundation in real capital invested in buildings, machinery, equipment and stocks of goods and services (the "real economy").

But the growth and collapse of fictitious capital -- what Marx called the "circulation of property rights" -- is a feature of every capitalist business

cycle. As the business cycle passes its peak, capitalists look for new profitable investments. Because profits are slipping in the production of goods and services, capital flows into financial instruments that are claims on future wealth -- speculative bets that the economy will continue to grow. Financial bubbles inevitably burst as slowing economic growth in the real economy reduces the value of the assets -- such as housing -- upon which fictitious capital rests. The results are all too familiar -- investor panic, sharp drops in the prices of stocks and other financial instruments, and a rising tide of bankruptcies in the financial sector.

We have seen a number of these financial crises in the past 25 years -- the Stock Market crash of 1987, the Savings and Loan collapse of the late 1980s and early 1990s, and the bursting of the "Dot.com" bubble in the early part of this decade. None of these financial crises, however, sparked a generalized collapse -- deep recession or even full-scale

depression -- of investment and production in the "real economy." With an infusion of funds from the capitalist state, the financial sector was stabilized and growth, in both the "real economy" and on Wall Street, resumed after each of these panics.

Ultimately, the underlying health of the "real" capitalist economy cushioned the impact of these financial panics. A wave of bankruptcies and mergers and acquisitions that eliminated inefficient fixed capital (devalored capital), "lean production" that increased labor productivity (the rate of exploitation), and neoliberal capitalist state policies that deregulated capital and labor markets, all stimulated rising profits. The "long-wave" of expansion of capital accumulation reduced the length and depth of financial crises.

The current financial meltdown, however, comes at a point when there are clear indications that the U.S. and global capitalist economies are entering a new long-wave of

stagnation. The very growth of investment “in particular the increasing capitalization/mechanization of production” in the real economy during the long-boom of the past quarter century is now turning into its opposite, pointing toward a long period of declining profits and stagnant capital accumulation.

In the context of a new long-term fall in profitability, the meltdown that began in the subprime mortgage market and has spread to the heart of Wall Street has much more ominous implications for capital. The bankruptcies or near bankruptcies at Bear Stearns, AIG and other firms and the instability in the stock market are the “fire alarm” heralding a sharp and deep recession. If financial bankruptcies were to spread unchecked, a full-scale collapse of production on the scale of 1929-31, the onset of the Great Depression, could ensue.

3

A full-scale depression, however, is unlikely. The well-founded capitalist fears of the political effects of a depression are leading both Democratic and Republican politicians to abandon some of the orthodoxies of neoliberal economic policy and to approve - after some messy political bargaining, given the deep popular anger - some version of Bush’s \$700 billion bailout for the former investment banks (now converted or absorbed into all-purpose banks) and insurance companies. This subsidy, and a temporary and partial return to state regulation, will probably stabilize the financial sector and reduce “but not prevent” the depth and length of the coming recession. Meanwhile, other corporate sectors are lining up at the trough for their share of the bounty of “business Keynesianism,” notably the used-to-be-

Big Three auto companies.

Capital as a whole will pay a price for this bailout. While a politically disastrous economic collapse will be avoided, the underlying cause of falling profitability “excess fixed capital” will remain after the bailout of the financial sector. As a result, profits after a recession will remain too low to encourage substantial new investment in the production of goods and services. At the same time, the massive capitalist state infusion of cash into the banking system, financed by growing federal deficits, will increase the supply of money. The likely result will be too much money chasing too few goods “a new wave of inflation.

Whoever is elected President in November 2008 will likely face the same “stagflation” “the combination of price inflation and economic stagnation” that Nixon, Ford, and Carter wrestled with through the 1970s. For most of us, an ever-sharper attack on working-class standards of living will be the main consequence of the current crisis. Those of us on the revolutionary left can only hope that a return of stagflation will also encourage a return of the working-class and popular struggle of earlier decades.

There are some basic points for activists to raise in the current crisis. First, Congress’ plan privatizes the gains and socializes the losses from the current speculative frenzy. But if there is anyone who should benefit from government intervention it’s ordinary citizens, particularly the millions of families at risk of losing their homes because of exorbitant mortgages, and the newly tightened bankruptcy laws.

If there’s money available to buy up and “socialize” collapsing banking giants, then those same resources can

just as easily be used to restructure the mortgages of struggling homeowners. There is also money for a jobs program to build affordable and energy-efficient housing, hospitals, mass transit and schools.

While we’re at it, why not put some of those funds towards protecting social security, and ensuring universal health care through a single-payer system? After all medical crises are the single biggest cause of bankruptcies in the country. Single payer is a step towards stabilizing the housing market!

Secondly, the “luxuries” our society really cannot afford are the costs of war and empire - George W. Bush’s Iraq war which will ultimately cost between one and two trillion dollars, the U.S. military bases in 150 countries, or the six percent increase in the Pentagon’s budget for fiscal 2009 which will now be a tidy \$621.5 billion, including \$68.6 billion for the wars in Iraq and Afghanistan (but not including all the “emergency supplementary” allocations to be demanded later for these imperial occupations).

Third, we need to explain why the government and the capitalist state respond to the needs of capitalists, not to the wishes of the majority of people. The wave of popular anger against the bailout for Wall Street forced the administration and Congressional leadership to write into the legislation some timid regulation and curbs on “excess” CEO salaries at a time of rising inequality. These gestures can’t hide the underlying reality that in times of crisis, the state “socializes” the risks for capital, while “privatizing” the most essential necessities for everyone else.

*This article originally appeared at the [Solidarity](#) site.*

## Is Another Debt Crisis in the Offing?

4 October 2008, by [Éric Toussaint](#)

### The Historical Facts

The last two centuries in the history of capitalism saw several international

crises (three in the 19th century and two in the 20th [1]), which directly

affected the fate of emerging countries. The origin of these crises and the moment at which they peaked are closely related to the pace of the world economy and to that of the advanced industrial countries in particular. Each debt crisis was preceded by an abnormal boom in the countries of the center, with an excess of capital being partly recycled into the economies of the periphery. The crisis was generally triggered by a recession or crash affecting some of the main industrialized economies.

### Easy Money

In the past few years, many developing countries have seen their export revenues soar thanks to the rising prices of goods they sell on the world market: hydrocarbons (oil and gas), minerals, and agricultural products. This allows them to draw on these foreign exchange revenues to repay the debt and be credible candidates for new loans.

In addition, the commercial banks of the North, who had pulled back on loans at the end of the 1990s after the financial crises in developing countries, gradually re-opened the credit lines starting in 2004-2005 [15]

Also according to the BIS Annual Report, the countries most at risk are South Africa, Turkey, the Baltic states, and those of Central and Eastern Europe, like Hungary and Romania (in the last two the real estate bubble is about to burst, while to make things worse loans have been indexed to strong currencies, the Swiss franc in particular).

"In view of the turmoil engulfing banks in advanced industrial economies, the second major vulnerability in some EMEs concerns the sustainability of bank-intermediated capital flows. Historically, bank flows have periodically been subject to sharp reversals, such as during the early 1980s in Latin America and during 1997-1998 in emerging Asia." [16]

### Conclusions

As a result of the crisis affecting advanced industrial countries, loan conditions will certainly tighten for developing countries. The large

currency reserves that they have been able to build up over recent years will serve as a buffer against the consequences of tighter conditions, but will not be sufficient to protect them entirely. Certain weak links in the South's indebtedness chain are in danger of being directly affected in the near future, all the more so since some of them have already been severely affected by the world food crisis of 2008. It is vital therefore to closely follow a situation that is presently uncontrolled, and prepare to find solutions. Otherwise the people will once again have to pay the highest price. [17]

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## Footnotes

[1] See Eric Toussaint, *Your Money or Your Life*, Chicago: Haymarket books, 2005, chapter 7. See also Eric Toussaint, *The World Bank: A Critical Primer*, London: Pluto, 2008, chapter 4.

[2] "Cross-border claims of BIS reporting banks on EMEs (emerging economies) were estimated at \$2.6 trillion in 2007, an increase of \$1.6 trillion over the past five years" (BIS, 78th Annual Report, Basel, June 2008, p. 41).

[3] For a detailed analysis of the cause of the crisis and the international context, see Eric Toussaint, *Banque du Sud et nouvelle crise internationale*, Liège-Paris: CADTM-Syllepse, 2008, chapters 9 and 10.

[4] North-American ABCPs (asset backed commercial papers) are negotiable certificates issued by banks or other companies on the financial market for a short period (2 to 270 days). These certificates are not collateral-backed (for example by a real estate property). They depend on the confidence of the ABCP buyer in the bank or company that sells it.

[5] Collateralized Debt Obligations.

[6] Leveraged Debt Buy-Out. The acquisition of companies financed by debts.

[7] Credit Default Swaps. The purchaser of a CDS wishes, in purchasing it, to protect himself against the risk of non-payment of a debt. The CDS market has developed significantly since 2002. The volume of CDS-related sums increased eleven-fold between 2002 and 2006.

The problem is that these insurance policies are sold without regulatory control. The existence of these CDS has encouraged companies to take more and more risks. Believing themselves protected from defaults on payment, lenders grant loans without verifying the borrower's ability to repay.

[8] Auction Rate Securities. These securities sold in the US represent credits to city councils, universities (for student grants), hospitals, etc. Each week, clients can buy or sell them via an auction system. In June-July 2008, the market collapsed and the banks that had sold these debts had to buy them back from their clients and pay state-imposed fines. The sums involved are estimated at \$330 billion and the fines paid by UBS (\$150 million), Citigroup (\$100 million), JP Morgan, Morgan Stanley, etc. add up to hundreds of millions of dollars.

[9] Bear Stearns, the 5th largest investment bank in the US, was heavily involved in the CDS market

[10] This is a prime example of privatized profit in times of economic prosperity and public-borne losses in times of depression

[11] But for the latter this was short-lived: some of them are experiencing a sharp downturn (Shanghai, Hong-Kong, Bombay-Mumbai, Sao Paulo, etc)

[12] BIS, 78th Annual Report, Basel, June 2008, p.55

[13] BIS, op. cit.

[14] BIS, p. 51.

[15] The BIS also writes: "Bank credit to the private sector has expanded tremendously over the past five years — in Latin America by a cumulative 7 percentage points of GDP and in CEE by 30

percentage points. Such rapid credit growth could have overstretched the capacity of institutions to assess and monitor credit effectively, p. 54.

[16] BIS, p. 53.

[17] As regards alternative proposals, see: Eric Toussaint,

Banque du Sud et nouvelle crise internationale, op cit., chapters 1 to 4. See also: Eric Toussaint, "Quelles alternatives pour le développement humain?" 22 August 2008; and Damien Millet and Eric Toussaint, 60 questions/60 réponses sur la dette, le FMI et la Banque mondiale, CADTM-Syllepse, 2008, chapters 10 to 12.

## Pakistan on the flight path of American power

4 October 2008, by [Tariq Ali](#)



Why, then, has the U.S. decided to destabilize a crucial ally? Within Pakistan, some analysts argue that this is a carefully coordinated move to weaken the Pakistani state yet further by creating a crisis that extends way beyond the badlands on the frontier with Afghanistan. Its ultimate aim, they claim, would be the extraction of the Pakistani military's nuclear fangs. If this were the case, it would imply that Washington was indeed determined to break up the Pakistani state, since the country would very simply not survive a disaster on that scale.

In my view, however, the expansion of the war relates far more to the Bush administration's disastrous occupation in Afghanistan. It is hardly a secret that the regime of President Hamid Karzai is becoming more isolated with each passing day, as Taliban guerrillas move ever closer to Kabul.

When in doubt, escalate the war is an old imperial motto. The strikes against Pakistan represent — like the decisions of President Richard Nixon and his National Security Adviser Henry Kissinger to bomb and then invade Cambodia (acts that, in the end, empowered Pol Pot and his monsters) — a desperate bid to salvage a war that was never good, but has now gone badly wrong.

It is true that those resisting the

NATO occupation cross the Pakistan-Afghan border with ease. However, the U.S. has often engaged in quiet negotiations with them. Several feelers have been put out to the Taliban in Pakistan, while U.S. intelligence experts regularly check into the Serena Hotel in Swat to discuss possibilities with Mullah Fazlullah, a local pro-Taliban leader. The same is true inside Afghanistan. After the U.S. invasion of Afghanistan in 2001, a whole layer of the Taliban's middle-level leadership crossed the border into Pakistan to regroup and plan for what lay ahead. By 2003, their guerrilla factions were starting to harass the occupying forces in Afghanistan and, during 2004, they began to be joined by a new generation of local recruits, by no means all jihadists, who were being radicalized by the occupation itself.

Though, in the world of the Western media, the Taliban has been entirely conflated with al-Qaeda, most of their supporters are, in fact, driven by quite local concerns. If NATO and the U.S. were to leave Afghanistan, their political evolution would most likely parallel that of Pakistan's domesticated Islamists.

The neo-Taliban now control at least twenty Afghan districts in Kandahar, Helmand, and Uruzgan provinces. It is hardly a secret that many officials in these zones are closet supporters of the guerrilla fighters. Though often characterized as a rural jacquerie they

have won significant support in southern towns and they even led a Tet-style offensive in Kandahar in 2006. Elsewhere, mullahs who had initially supported President Karzai's allies are now railing against the foreigners and the government in Kabul. For the first time, calls for jihad against the occupation are even being heard in the non-Pashtun northeast border provinces of Takhar and Badakhshan.

The neo-Taliban have said that they will not join any government until "the foreigners" have left their country, which raises the question of the strategic aims of the United States. Is it the case, as NATO Secretary-General Jaap de Hoop Scheffer suggested to an audience at the Brookings Institution earlier this year, that the war in Afghanistan has little to do with spreading good governance in Afghanistan or even destroying the remnants of al-Qaeda? Is it part of a master plan, as outlined by a strategist in NATO Review in the Winter of 2005, to expand the focus of NATO from the Euro-Atlantic zone, because "in the 21st century NATO must become an alliance... designed to project systemic stability beyond its borders"?

As that strategist went on to write: "The centre of gravity of power on this planet is moving inexorably eastward. As it does, the nature of power itself is changing. The Asia-Pacific region brings much that is dynamic and

positive to this world, but as yet the rapid change therein is neither stable nor embedded in stable institutions. Until this is achieved, it is the strategic responsibility of Europeans and North Americans, and the institutions they have built, to lead the way... [S]ecurity effectiveness in such a world is impossible without both legitimacy and capability."

Such a strategy implies a permanent military presence on the borders of both China and Iran. Given that this is unacceptable to most Pakistanis and Afghans, it will only create a state of permanent mayhem in the region, resulting in ever more violence and terror, as well as heightened support for jihadi extremism, which, in turn, will but further stretch an already over-extended empire.

Globalizers often speak as though U.S. hegemony and the spread of capitalism were the same thing. This was certainly the case during the Cold War, but the twin aims of yesteryear now stand in something closer to an inverse relationship. For, in certain ways, it is the very spread of capitalism that is gradually eroding U.S. hegemony in the world. Russian

Prime Minister Vladimir Putin's triumph in Georgia was a dramatic signal of this fact. The American push into the Greater Middle East in recent years, designed to demonstrate Washington's primacy over the Eurasian powers, has descended into remarkable chaos, necessitating support from the very powers it was meant to put on notice.

Pakistan's new, indirectly elected President, Asif Zardari, the husband of the assassinated Benazir Bhutto and a Pakistani "godfather" of the first order, indicated his support for U.S. strategy by inviting Afghanistan's Hamid Karzai to attend his inauguration, the only foreign leader to do so. Twinning himself with a discredited satrap in Kabul may have impressed some in Washington, but it only further decreased support for the widower Bhutto in his own country.

The key in Pakistan, as always, is the army. If the already heightened U.S. raids inside the country continue to escalate, the much-vaunted unity of the military High Command might come under real strain. At a meeting of corps commanders in Rawalpindi on

September 12th, Pakistani Chief of Staff General Ashfaq Kayani received unanimous support for his relatively mild public denunciation of the recent U.S. strikes inside Pakistan in which he said the country's borders and sovereignty would be defended "at all costs".

Saying, however, that the Army will safeguard the country's sovereignty is different from doing so in practice. This is the heart of the contradiction. Perhaps the attacks will cease on November 4th. Perhaps pigs (with or without lipstick) will fly. What is really required in the region is an American/NATO exit strategy from Afghanistan, which should entail a regional solution involving Pakistan, Iran, India, and Russia. These four states could guarantee a national government and massive social reconstruction in that country. No matter what, NATO and the Americans have failed abysmally.

[First published at Tom Dispatch](#)

Tariq Ali's new book is [The Duel: Pakistan on the Flight Path of American Power](#)

## Hugo Blanco arrested for supporting farmers' struggle

2 October 2008, by [Oscar Blanco Berglund](#)

**(Update: Hugo Blanco is free. His statement in Spanish is [here](#).)**



### Hugo Blanco

Photo: Soldepaz Pachakuti

The background is an illegal occupation of land belonging to the indigenous community of Huanquite - Paruro (near Cusco, Peru), by the son of an ex-landowner. 50 years ago the landowner Paz was famous for branding his farmers with the same burning stick that he used to brand his animals. Hugo Blanco led the land struggle that resulted in the farmers themselves gaining ownership of the

land.

It is this same land that Paz' son is now illegally occupying. The police have taken the side of the landowner against the community, and have accused the farmers and Hugo Blanco of 'Resistance to authority'. They could not accuse the farmers of land occupation, since they actually hold the deeds for the land. In this accusation, they included Mr Blanco for having supported the community on previous occasions, despite the fact that he was not even there on the day the farmers decided to take back the land that is legally theirs.

Since he was not notified that he was accused of 'Resistance to

authority', he did not present himself to give a statement. Therefore the judge ordered his arrest. Tomorrow he will be taken to Paruro to give his statement.

We call on all political organisations, the media and defenders of Human Rights, to show solidarity and spread this news. Let us hope that this case will be solved quickly, and that it will serve to expose the systematic abuses against the indigenous, in this community as well as in many others, who are the legitimate owners of the land, but have been oppressed for centuries.

Let us also show the authorities that the national and international

solidarity are aware of the increasing tendencies to criminalize social struggle and social activists in Peru.

Please send protest letters to the Peruvian embassy as well as releasing statements.

## Use this letter!

*Here below is a version of a letter that you can use. Please also send a copy of all letters to Lucha Indigena, the newspaper edited by Hugo Blanco, and to myself, in order to keep a record of solidarity.*

Peruvian Embassy:  
postmaster@peruembassy-uk.com

Lucha Indigena:  
luchaindigena@yahoo.es

Oscar Blanco Berglund:  
oscar.berglund@uwe.ac.uk

**Dear Mr Ricardo Luna,**

I/We write to you with a complaint against the police and court of Huanquite, Paruro, Cusco, Peru for having arrested Mr Hugo Blanco, accusing him and the local farmers of 'resistance to authority'. We know that the farmers retook land, for which they hold the deeds, but which the son of an ex-landowner illegally occupied. However, we also know that Mr Blanco was not even present when these acts took place.

I/We ask you to investigate this case, since it seems to form part of an increasing tendency to criminalize social protests and indigenous and social activists in Peru. We also ask you to help clarifying the legal ownership of the land, in order to stop this abuse of the community by the very people that should protect their rights.

Yours sincerely,

## Media reaction

The international media was fast to react to the news of Blanco's arrest. Google News syndicated this article and one from [Prensa Latina](#). The story was also quickly reported across Latin America, notably by [La República](#), [La Jornada](#) and [Peru Informa](#).

The protest of María Blanco Berglund, Hugo's wife, against the arrest was cited by the [Diario El Sol de Cusco](#). An [appeal for solidarity](#) was also issued quickly by the [Congreso Bolivariano de los Pueblos](#) (Bolivarian Peoples Congress). La República later reported the [Socialist Party's support](#) for Hugo Blanco.

Carmen Blanco Valer has [written in Sur y Sur](#) in support of her father. International Viewpoint has also published an [Italian appeal](#) while La Gauche has published the [appeal in French](#).

## Bill Banta, 1941-2008

1 October 2008, by [Patrick M. Quinn](#)



### Bill Banta, 1941-2008

Image: Solidarity

There will be a memorial meeting for Bill at 1:30 PM Saturday October 25th at the 2nd Unitarian Church, 656 West Barry Street in Chicago.

Upon graduation in 1963 he moved to Chicago, where, as a social worker, he became involved in the civil rights movement and was an active trade unionist. He soon became an organizer in the American Federation of State, County and Municipal Employees (AFSCME), where, among other accomplishments, he organized the blue collar employees of the city of Evanston, winning them a contract which, after 40 years, remains one of the best contracts negotiated by municipal workers anywhere in the United States. Bill also served as an organizer for

the Furniture Workers and the United Electrical Workers in Louisville, Kentucky, and worked in Chicago as a taxi cab driver.

In 1968 Bill joined the Socialist Workers Party (SWP) in Chicago. He had become very involved in the movement against the war in Vietnam. He then secured a job as a switchman on the Chesapeake and Ohio Railroad in Chicago and quickly became a militant mainstay of the large group of members of the United Transportation Union (UTU) organized by the SWP. He remained a militant in the UTU until 1982 when he lost his lower right leg in an accident on the railroad.

In the SWP he was a member of two opposition tendencies, the Proletarian Orientation Tendency (PO) in 1971 and the Internationalist Tendency (IT) in 1973-74. With 160 other oppositionists in the SWP who supported the political positions of the Fourth

International led by Ernest Mandel, Bill was expelled from the SWP on July 4, 1974. About one third of those who had been expelled, including Bill, were readmitted to the SWP in 1976. In 1982, however, he and more than a hundred members were expelled from the SWP by the undemocratic and dictatorial regime that ran the SWP. Bill became a founding member of Socialist Action and then, in 1986, a founding member of Solidarity.

From 1984 to 1989, Bill was a key activist in the Evanston Committee on Central America, which had been organized to oppose U.S. intervention in Nicaragua and El Salvador. During the 1990s and into the beginning of the new century, Bill devoted many hours as a volunteer at the New World Resource Center, an independent progressive bookstore and gathering place for the Left in Chicago.

Bill came from a working-class

background in Portland, Indiana. His father, a U.S. Marine, had been severely wounded on Iwo Jima during World War II. A member of the Church of Christ, a Boy Scout who enjoyed camping, and a high school football player, Bill had also early in his life developed a keen

sense of social justice, and when in college he encountered socialism for the first time, it was a natural fit.

Bill had a great many friends and comrades in Chicago and he will be sorely missed. He was an exemplar of those of his generation who had

embraced the vision of a socialist world and devoted their lives to transforming that vision into a world without war, injustice, racism, oppression, and capitalist exploitation â€” a world in which economic, political and social equality will prevail.