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ALEXANDER COCKBURN AND JEFFREY ST. CLAIR

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The Class Struggle in France

By Larry Portis

Montpellier

Flower power dans la gueule – “Flower power in your face!” This was my favorite slogan seen at the demonstration in Montpellier, France, on October 16, 2010. It emblazoned a cardboard sign and was carried by a young girl with curly hair and a headband. At the bottom of the sign was printed in very large capital letters: Tous ensemble pour la Grève Generale – “All together for the General Strike.”

Curious, I asked the girl about the sign, and about the reverse side on which was written, “Never trust a hippy” (“Ne fais jamais confiance aux hippies.”) “Is this really a problem?” I asked, “Are there still hippies around?” Respectful of my age, she hesitated to respond, before saying, “Yes, there are. We are the hippies.” She is 15 years old and, I found, as capable of discussing the issues of neoliberal reform of public institutions in France as anybody. At least people like her understand what might be called simple common sense. Students at all levels and young workers know that requiring people to work longer, as the retirement reform proposed by the Sarkozy government calls for, will result in fewer jobs for the young.

This is an ineluctable deduction, but one avoided by almost all French politicians. Even the French Socialist Party, for example, also accepts that the retirement age must be raised, in accordance with the decisions of the sacrosanct European Union. Only the more radical organizations, such as the Communist Party, the Greens, the New Anti-Capitalist Party (former Ligue Communiste Révolutionnaire) and, of course, revolutionary unions and political formations like the CNT (Confédération Nationale du Travail), Alternative Libertaire, Lutte

Britain's Tri-Partisan Electoral Monolith Slash-and-Burn Tory Coalition Picks Up Where New Labour Left Off

By Susan Watkins

London

The interregnum between the Crash of 1929 and the banking collapses and defaults of 1931, which ushered in the Great Depression, exerts an eerie fascination today: where are we now, along the path from the Wall Street meltdown of September 2008?

With a depressed Atlantic core, its financial system sodden with bad debt, and a bubbling South, policies are set to diverge. The Obama administration is pursuing a Reaganomics strategy: lower the dollar to make exports and boost the current account, while running a large fiscal deficit to prop up the financial sector. China, knowing very well what Reagan and Baker's 1985 Plaza Accord did to Japan, fears the decimation of its export sector. Fast-growing Southern economies, from Brazil to India, struggle to control destabilizing inflows of capital. In Europe, while mainstream economists are divided over policy, political elites and central bankers are virtually unanimous on the need for austerity.

As under New Labour, so under the new Conservative-Liberal Democrat Coalition, London's aim is to be the vanguard in this. There is no convincing economic rationale for the unprecedented four-year fiscal squeeze premised in New Labour's March 2010 budget, trumpeted in the emergency budget in June put forth by the new governing coalition and now detailed in the October 20 Spending Review, laid out by the new Conservative Chancellor George Osborne. Unlike Greece or Ireland, the U.K.'s borrowing costs are not soaring and the recessionary effects of the squeeze on government revenues will likely match the reductions in spending, leaving the deficit almost as

wide as before.

Britain's draconian cuts only make sense in the context of a broader program: to shore up the financial sector, at any cost, and to use the crisis to ram through a wish list of structural reforms. It was easy enough for the incoming Conservative-Liberal Democrat Coalition to present its Coalition Agreement as slightly to the left of New Labour: a bill to roll back Blair's surveillance state, an inquiry into British collusion in extraordinary rendition and torture, a mildly redistributive capital gains tax; Cameron made it clear that he was unenthusiastic about the war in Afghanistan. But once securely installed in office, with the unprecedented guarantee of a 5-year fixed term brokered by Whitehall chiefs, the Coalition has moved right to occupy New Labour's ground – relaunching the New Labour revolution in health, welfare and education, which had petered out after the trauma of September 2008, with renewed vigor, as part and parcel of the £80 billion cuts program.

The results will be catastrophic, as Blairite marketization policies are deepened in conditions of savage public-expenditure cuts. Osborne's Spending Review expects to make half a million public-sector workers redundant; the accounting firm PwC estimates nearly half a million more private-sector jobs will go as well, due to reduced public-sector demand and lower household spending – raising British unemployment to around 3.5 million, well into double digits, and higher than the notorious jobless rates of the Thatcher years. The governor of the Bank of England reckons it will stay there

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Ouvrière, and the Fédération Anarchiste call for real progressive fiscal reform, the reduction of work time, and other radically structural changes.

We can analyze the facetious slogans as we wish, and there are thousands of them, conceived and formulated with humor and creativity. Whenever a movement in France lasts for more than a few weeks, there is an impressive explosion of imaginative sloganeering, the commandeering of popular songs provided with new and politically pointed lyrics (often far better than the originals), and street theater of all types.

I've been to almost all the recent demonstrations in France, at least since 1986, when French students forced the government to withdraw a reform of entrance requirements to universities. What I have observed during these numerous occasions to participate in mass mobilizations is what I learned during long-ago graduate studies focused on the history of France and its popular movements, and the ideas that accompany them or react to them – there is a revolutionary tradition in France.

And yet, paradoxically, I'm always surprised. For, in between the movements, I habitually lament the progressive loss

of critical consciousness in France, the emergence of new pernicious forms of media distraction (typically originated in the United States), the fact that there are more McDonalds restaurants per capita in France than elsewhere in the E.U., the dumbing-down of education, and all the other symptoms of consensual one-dimensionalism.

But this is what a revolutionary tradition means. Regardless of adaptations to technological change, rebellious attitudes to authority persist. Popular uprisings in France are part of a heritage going back at least to the seventeenth century.

Resistance grows when a centralized state forces the populace to steadily give up more and more of its personal liberties and resources. In the present context, a good part of these liberties and resources are to be found in the fruit of former struggles. The eight-hour day and paid vacations were won through hard popular struggle in 1936. The resistance movements during the wartime occupation and then the Liberation in 1945 gave birth to the present system of social security, public health services, and retirement benefits. These institutional changes quickly came to be considered inalienable social rights.

The present government in France has pledged to overturn the situation. Privately, already in 2007, president Nicolas Sarkozy said he would be the French Margaret Thatcher. He would force through fundamental changes, reducing the power of the political left and “modernizing” France by dismantling state-financed social programs. During his campaign, he declared, “In this election, the question is to know whether the legacy of May '68 is to be perpetuated or if it must be liquidated once and for all.”

With his careful efforts to dissimulate his allegiance to powerful industrial and financial interests, Sarkozy impressed much of the electorate. He assured the young that he would provide jobs and increase purchasing power. He pledged to the seniors that he would crack down on crime and provide security for all. By recruiting members of the Socialist Party and carefully selected individuals from ethnic minorities to his new government, Sarkozy posed as a leader above political parties – neither right nor left. After several months in office, he divorced his wife and quickly married a former top model and pop-idol-groupie turned singer (with

the help of her family connections and fabulous inherited wealth). “Super Sarko” was born.

It might have worked. But then, in 2008, a bit more than one year after his election, the crash of the New York Stock Exchange changed everything for Super Sarko. People in France, as elsewhere, began asking questions: Why are the banks and other financial institutions being given assistance, and not ordinary people? Why must the universities become unequal in status? Why are the numbers of schoolteachers being reduced when it is generally understood that more are needed? Why are post offices and railroad lines closed? Will programmed privatization really result in better services?

At the same time, more and more information about Sarkozy's connections to the industrial and financial elites became known. On the night of his election, he gave a party for them in one of the most expensive restaurants in Paris. Sarkozy is a funny little man with a large ego, and he tends to call ridicule onto himself. Soon he became the butt of jokes, and the object of scurrilous speculations about his need to vaunt his virility and to demean his subordinates. Sarkozy came to be the most despised French president in recent history. Today his approval rating is in the vicinity of 26 per cent.

Far more important than Sarkozy's peccadilloes is what he represents socially. He is the point man for what the sociologists Michel Pinçon and Monique Pinçon-Charlot call the French oligarchy. In September 2010, one month ago, these authors published *Le président des riches. Enquête sur l'oligarchie dans la France de Nicolas Sarkozy* (tr. The President of the Rich: Investigation of the Oligarchy in Nicolas Sarkozy's France). The book establishes incontrovertibly that Sarkozy does the bidding of the powerful employers association (MEDEF – Movement of French Enterprises) and the financial elites. His personal power base, in the exclusive western suburb of Paris of Neuilly and the business center of La Défense, is a center of rampant political corruption and nepotism.

What distinguishes Sarkozy is his unadulterated contempt for people in general and poor people in particular. It took French people (or, at least the 71 per cent of the French population supportive of the present mobilization in the streets)

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for a decade. With welfare spending, higher education and local council services (community care, libraries, swimming pools) the main target, the social pain of unemployment will be intensified. Small businesses, already starved of credit, will be hit by falling demand; the insolvency firm R3 estimates that 150,000 small firms may close. In the *Financial Times*, Martin Wolf – one of many establishment economists to oppose the scale of the cuts – estimates that the four-year plan may see the economy contract by up to 2 per cent of GDP per year.

Though British commentators have been smugly congratulating the country on the lack of Greek- or French-style protests, struggles of some sort are bound to erupt. But even more, perhaps, than in Greece and France, their effects will be blunted by the absence of any effective political spearhead. The Thatcherization of the Labour Party, followed by the Blairization of the Tories and by the Cameronization of the Liberal Democrats, has created a monstrously homogenized electoral monolith. The tri-partisan consensus is evident in every aspect of government policy. Thus:

- **Welfare benefits and pensions:** in 2007, investment banker David (now Lord) Freud, appointed by New Labour to reduce the benefits bill, recommended replacing the various crumbs – housing benefit, incapacity benefit, disability allowance – with a single, means-tested payment linked to harsh “incentives to work.” Tory Welfare Minister Iain Duncan-Smith is enthusiastically driving the plan forward, implementing at the same time an £18 billion reduction in payments and the downgrading of inflation-linked benefit increases.

- **Higher education:** in 1998, Blair’s government imposed fairly nominal tuition fees on students (a policy resisted by then Conservative PM John Major) as the thin end of the wedge; in 2004, it hiked the fees substantially, claiming that “those who benefited” from higher education should fund it themselves, and set up low-interest student loans to pay for them – fresh fields for the financial sector. Responsibility for universities was duly shifted from the Department of Education to the Ministry for Business. In 2009, New Labour appointed the ex-CEO of BP, Lord Browne, to “reform” higher education. His proposals – that

teaching subsidies be cut by over 70 per cent; students pay commercial rates on their loans; universities be free to hike fees at will, or compete like businesses in price-cutting against each other to attract students, with inevitable college bankruptcies and closures – will now be implemented by the LDP minister for business, Vince Cable. The Liberal Democrats, who promised to abolish tuition fees altogether in their 2010 manifesto, have been bought off, as cheaply as Labour’s “left” under Blair and Brown, with low-level – but well-salaried – parliamentary appointments.

- **Health:** since New Labour had already insisted the National Health

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Service (NHS) find £20 billion savings within its current budget to cope with the expanding number of elderly patients and drug price rises over the next four years, the Coalition could claim to be ring-fencing health expenditure. But Health Secretary Andrew Lansley has already broken the Coalition pledge to put an end to New Labour’s permanent revolution in top-down administrative restructuring, which has brought a vast increase in form-filling, to the detriment of patient care, as medical personnel are forced to spend their time managing the NHS’s “internal market.”

- **Defense:** famously, New Labour’s two brand-new aircraft carriers will be spared from Osborne’s cuts, at a cost of some £5 billion, since it would be “too expensive” to break the contracts.

Staggeringly, the younger Miliband’s victory over his brother in September’s Labour leadership contest was greeted by some on the British left as a sign of hope. Seumas Milne, erstwhile *Guardian* comment editor and long-time comrade-in-arms of ex-Respect Party MP George

Galloway, hailed Ed Miliband’s election as “a significant shift beyond New Labour politics” – “that he represents a real change is not in question” – and “an unmistakable breach in the stifling neoliberal consensus that has dominated British politics.” Miliband’s maiden speech as Opposition leader – pledging to stand with the Cameron-Clegg government on Afghanistan – and his Blairite shadow cabinet should have banished such delusions.

The obvious candidate for shadow chancellor was Ed Balls, a former *Financial Times* editorial writer and tough-minded pugilist, who has denounced the cuts program as a monumental economic blunder on a par with Churchill’s disastrous return to the gold standard in 1925 or John Major joining the European Exchange Rate Mechanism in 1990. As shadow chancellor, Balls would have provided legitimation for workers, students and pensioners fighting the cuts – demolishing the Lib-Tory claim that austerity is “in the national interest.” This was the appointment Clegg and Cameron dreaded. Miliband duly

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Defeat on the Yellow River

The Debacle of the San Men Xia Dam

By Peter Lee

The Yellow River is the second longest river in China (after the Yangtze), running 3,395 miles from the Bayan Har Mountains in western China through nine provinces before emptying into the Bohai Sea. Its basin has been the cradle of northern Chinese civilizations. Every year it picks up a burden of hundreds of millions of tons of silt, as it courses through the loess plateaus of western China. As the river enters the plains of central China and slows, much of that silt drops out. The silt sinks to the bottom of the river, building up the bed, decreasing the distance from the bed to the top of the riverbank, and reducing the volume of water the watercourse can handle.

When nature takes its course, somewhere the riverbank is overtopped by some combination of silt buildup and floodwaters; the overflow chews through the riverbank in some inopportune low-lying area, and the waters gush out into the surrounding countryside searching for a new path to the sea.

However, nature hasn't taken its course on the Yellow River – without determined human intervention, in any case – for over two thousand years. Massive earthworks, raised by Chinese governments, local gentry, and peasants over the centuries, have sought to confine the Yellow River to its channel. As silt has built up on the riverbed for centuries, the levees got higher and higher, the bed got higher and higher. Today, at many places on the central plain the Yellow River is a “hanging river,” its riverbed as much as 25 meters higher than the surrounding countryside.

In the case of a “hanging river,” the earthen structures are properly called dikes, not levees, because they confine the river to its course during times of normal flow and not just during periods of flood. To keep it in its bed, the dikes and levees have to be raised every ten years. In modern China, construction and maintenance of the dikes and levees costs an average of \$300 million per year.

If a dike is breached, the entire river escapes. Approximately one hundred million people live and work on the

flood plains in the shadow of the river. The Yellow River, obeying its own laws of hydrological necessity, has left its bed and changed its course on an average of twice a century for the last one thousand years. For China's rulers, controlling the Yellow River and assuring the safety and prosperity of the hundreds of millions of people living in its basin have been a benchmark of achievement, virtue, and regime legitimacy ever since the mythical emperor Yao was credited with mastering the river in the second millennium B.C.E.

In 1938, Chiang Kai-shek took the opposite tack, with disastrous consequenc-

“The Yellow River is one of the most potent symbols in Chinese history; failure to control it is a sign that a government is about to lose the mandate of heaven...”

es. He breached the dike at Zhengzhou city in Henan, a key rail link on the Yellow River threatened by the Japanese advance. The river roared southeast into one of its old channels, spreading out to inundate 21,000 square miles of land in a tobacco-leaf shaped area more than 250 miles long and over 100 miles wide in the process.

The Japanese armies approaching Zhengzhou from the east were seriously if temporarily discommoded as a result. However, because Chiang Kai-shek had wished to preserve the element of surprise, no warning was given to the people in the flood zone; and because of the government's dire straits, few effective relief efforts were taken afterward. Over 500,000 peasants – and, perhaps, as many as one million – died as a result, either directly from the inundation or from starvation and disease in the subsequent famine.

The Yellow River ran south for nine years. After World War II, even as Chiang Kai-shek was locked in a mortal

struggle with the Chinese Communist Party, the West and Chang's Kuomintang (KMT), government hurried to repair the one-kilometer breach at Zhengzhou, and the damage it had inflicted on the KMT's credibility as a legitimate and responsible ruler. In her book, *The Chinese People at War: Human Suffering and Social Transformation, 1937-1945* (Cambridge University Press, 2010), Diana Lary of the University of British Columbia writes:

“The Yellow River is one of the most potent symbols in Chinese history; failure to control it is a sign that a government is about to lose the mandate of heaven... After the Japanese had withdrawn, it was essential for the GMD [Guomindang, or KMT] to heal the breach at Huayuankou... Closure of the breach was identified as an urgent task... it was named one of the major projects in China for the United Nations Relief and Rehabilitation Agency (UNRRA).”

The breach was buttoned up in 1947 at a stated cost of 592 billion yuan (an indication of the inflation problems bedeviling Chiang Kai-shek's government). In a recapitulation of the blithe indifference of the original flooding – and a foreshadowing of the problems at San Men Xia reservoir – no provision was made for relocating the 400,000 peasants who had poured into the abandoned river bed over the previous nine years. The calculation appears to have been that these peasants were headed into the arms of the Chinese Communists – who already controlled the area north of the Yellow River – anyway.

After their triumph in 1949, China's Communist rulers eagerly took up the challenge to control the Yellow River. Today, sixty-one years after the Communists took power, it is still by no means clear that they can claim a victory. And they have already acknowledged one major defeat – the debacle of the San Men Xia Dam. The story – an epic of suffering, cruelty, incompetence, and indifference – is told in an unprecedented piece of reporting by the journalist Xie Chaoping in his Chinese-language book, *The Great Relocation*. The book came out in August in the face of determined efforts to block its publication, and has circulated in China and on the Internet in virtually samizdat form. It also earned Xie a month of extralegal detention by a local government he had sorely offended with the aggressive accuracy of his re-