

The fruits of poverty

The wealth of supermarkets is built on monopoly, exploitation and restriction of choice

Every year the list is the same, but every year it still comes as a shock. Of the 10 richest people on Earth, five of them have the same surname. It's not Gates, or Murdoch, or Rockefeller, but Walton. They are the heirs and trustees of the supermarket chain Wal-Mart. And between them they are worth \$100bn.

Considering how the media fawns on the ultra rich, we hear remarkably little about them. Perhaps this is because their position is rather embarrassing. The company that enriches them trades on the idea that it is the friend of the common man and woman, distributing rather than concentrating wealth.

Over the past 20 years, two world-shaking social transformations have taken place. The first, the effective collapse of the proletariat as a political force, has been well documented. The second, the disappearance of the petty bourgeoisie as an economic force, rather less so. The near-elimination of the small businesses supplying and running the retail trade is in some ways as consequential as the withering of organised labour in heavy industry and the coal mines. The global monopolisation of the sector has destroyed the livelihoods of tens of millions of small proprietors and their employees. But, because this workforce was dispersed, the effects are harder to see.

A couple of weeks ago, I went to buy some fruit trees. I travelled to the world's most unprepossessing centre of biodiversity: Langley, on the outskirts of Slough. In the first half of the 20th century, most of London's fruit and vegetables were grown round there. The farms were supplied by specialist nurseries, which ensured that Britain possessed

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a wider variety of temperate fruit trees than any other nation. Two weeks ago, only one of these nurseries was left. In the 1940s, JC Allgrove's kept a thousand varieties of apple tree. It is still listed in the directories as one of Britain's great growers. But I was among its last customers.

Since the owner died two years ago, the business has been run by a volunteer, Nick Houston. "There are bits of ground here where no one's been for 20 years," he told me. Recently, scrabbling beneath the ivy that now covers the orchards, he found an apple he had never seen before. It was a Baumann's Reinette: the horticultural equivalent of a Fabergé egg. "But I had no idea which bloody tree it had fallen off." Somewhere in the nursery there should be two varieties - King Harry and St Augustine's Orange - that even the national fruit collection doesn't possess, but he hasn't been able to find them yet. The land is to be sold. Nick will salvage what he can and run a business of his own, under the old name, to try to keep the rare breeds growing.

He gave a one-word answer when I asked him what had happened to the business. "Supermarkets." Today the apples they buy are landing three miles from JC Allgrove's. Heathrow's first runway was built on strawberry farms and orchards. From the air, you can still see derelict greenhouses and the parallel lines on the land where fruit trees once grew. Richard Cox, the man who bred the world's favourite apple, is buried beside St Mary's Church in Harmondsworth, which will be flattened if a third runway is built at Heathrow.

The superstores have used their buying power to force the world's farmers to compete directly with each other. Yesterday I spoke to a fruit grower in Gloucestershire, who told me that to stay in the game he must sometimes sell Coxes for as little as 57p a kilo, less than his cost of production. The superstores then sell the same apples for between £1.60 and £1.80. They can buy them for even less from Chile, New Zealand and South Africa, where labour is cheap and the farms huge. This would present no threat to the growers here, had the superstores not used their political power to ensure that fuel costs stay low, and the docks and airports keep expanding.

These companies are now strolling over the battlefield, dispatching the last of the wounded. A few days ago, Verdict Research published a report on the takeover of Britain's cornershops. The big chains have moved into the suburbs, where they are closing down the competition. "Now smaller retailers can no longer hide in the neighbourhood," Verdict reports. "A major shake-out is inevitable."

Wal-Mart, which owns the British chain Asda, is now the biggest company on Earth. In the last financial year it took \$245bn. It is successful partly because it is one of the most ruthless employers in the western world.

In the US its sales clerks made an average of \$13,861 in 2001, almost \$800 below the

federal poverty line for a family of three. It is reported to have told new employees how to apply for food stamps so that they don't starve to death. In November, the police found hundreds of illegal immigrants working as cleaners in its stores. Some of them claimed that they were obliged to work seven nights a week, without overtime, insurance or benefits.

By forcing down the prices of the goods they buy, the superstores encourage even more repressive conditions in the companies that supply them. A recent study by Oxfam documents the systematic abuse of workers in the factories and farms that the superstores buy from. The Waltons are so rich because others are so poor.

Beside this, the destruction of our horticultural diversity looks trivial. But both are manifestations of the same problem. As the superstores capture the market, they shut down all our choices: about where we shop, what we buy, who we work for. This, of course, is what all monopolies seek to do.

We might have hoped that governments would treat them as such. Indeed, there was a time when they did. In 1936, a federal anti-trust act was passed in the United States to protect small shops from the Great Atlantic & Pacific Tea Company. But governments were braver then.

In Britain, the Office of Fair Trading and the Competition Commission seem to spend their time devising new excuses. They continue to insist, for example, that big stores and corner shops are separate markets. Tesco might sell 25% of all Britain's groceries, but it owns "only" 6% of the convenience store market, so it should be allowed to expand in that sector as it pleases. Last month the Office of Fair Trading admitted that its voluntary code of practice, which is supposed to protect farmers from the excessive power of the superstores, is not working. By way of remedy it proposed "more research".

In response, the MPs Andrew George and David Drew are launching an early day motion in parliament today, calling for a legally binding code of practice and a supermarket watchdog. But Tony Blair seems to be as frightened of the superstores as he is of the tabloid press.

Nick couldn't find me any of the rarest varieties. He sold me an Adam's Pearmain, a Charles Ross, a Sturmer Pippin and a Cornish Aromatic. I would have bought the names even if the trees weren't attached to them. If they survive my clumsy handling and produce fruit, I will regard every apple they produce as a minor act of insurrection. #