

The Socialist Correspondent

£2.00

Labour's Leadership Election

For a Socialist and Peaceful Britain

For a Capitalist-Imperialist Britain



Labour Leader, Jeremy Corbyn MP is seeking re-election following the failed plot to remove him and then to prevent him standing in the leadership election.

Jeremy Corbyn is supported by: the overwhelming majority of Labour Party members and supporters; by a vast majority of CLPs; by UNITE, Britain's largest trade union, UNISON, the Fire Brigades Union and many more trade unions affiliated to the Labour Party and - of course - by millions of working people all across the UK.

Labour's establishment - led by its four General Election leaders (pictured below) these past 30 years - oppose Jeremy Corbyn

Miliband 2010-15
Backed austerity
LOST IN 2015

Brown 2007-10
Backed the Banks
LOST IN 2010



Lord Kinnock 1983-92
Turned his back on socialism
LOST IN 1992

Tony Blair 1994-2007
Continued Thatcherism
Won in 1997, 2001, 2005

Labour's right wing establishment is supported by Britain's right wing Conservative/Capitalist Establishment and their biased Mass Media including:
- BBC TV and Radio - ITN - Channel 4 - The SUN - The Times - the Daily Mail - the Daily Telegraph - The Guardian and many others.

No going back to the past

■ **Anti-Corbyn attacks sink to a new low - page 4**

■ **Britain's working class support Brexit - page 9**

■ **EU demands sale of Greece's assets - page 14**

■ **Inquiry into US and UK illegal war in Iraq - page 17**

■ **Cuban 5 heroes visit Britain - page 24**
■ **Socialist Correspondent conference - page 28**

Discussion, debate and authors' opinions: To encourage the broadest possible discussion and debate around the aims of exposing capitalism and promoting socialism, we hope our readers appreciate that not all the opinions expressed by individual authors are necessarily those of The Socialist Correspondent.

Anti-Corbyn attacks sink to a new low

FRIEDA PARK

Page 4

Labour: Report rejects anti-Semitism smear

BRIAN DURRANS

Page 6

Britain's working class supports Brexit

FRIEDA PARK

Page 9

EU
Referendum

Hostility to EU on the rise across Europe

SIMON KORNER

Page 11

EU
Referendum

Brexit vote hailed as huge victory

JOÃO FERREIRA MEP

Page 13

EU
Referendum

EU demands sale of Greece's assets

ALEX DAVIDSON

Page 14

EU
Referendum

Inquiry into US and UK illegal war in Iraq

PAT TURNBULL

Page 17

Syria: US increases support for Al Qaeda

SIMON KORNER

Page 19

French workers fight new labour laws

JEAN LUTTE

Page 20

Tax injustice and offshore finance

PAUL SUTTON

Page 21

The Cuban Five heroes visit Britain

FRIEDA PARK

Page 24

Hidden History of Cuban Revolution

GINA NICHOLSON

Page 25

Klaus Steiniger: child of the GDR

PAT TURNBULL

Page 27

The Socialist Correspondent Conference

Page 28

Pictures: Unless otherwise stated all pictures are courtesy of Commons Wikimedia. Some of these will be attributed to an individual photographer. This does not mean that these individuals agree with the opinions expressed by individual authors or The Socialist Correspondent. Further information: <http://commons.wikimedia.org>

The Socialist Correspondent

To contact
The Socialist Correspondent
email the editor:
editor@thesocialistcorrespondent.org.uk
www.thesocialistcorrespondent.org.uk

Anti-Corbyn campaign

The anti-Corbyn campaign, in the latest challenge to his leadership, was forced to field a candidate purporting to be on the left. This reflected the deep disenchantment among thousands of Labour supporters with right-wing Labour politics dominant for many years under Blair and Brown.

This disenchantment was revealed during Corbyn's emphatic victory in the leadership contest against Burnham, Cooper and Kendall in 2015. It is worth recalling that Liz Kendall, the most openly Blairite candidate, received a mere 4% of the votes cast.

The right-wing campaign against Corbyn, before his election as leader and since, has never abated.

From Tony Blair declaring Corbyn to be unelectable through to the charge of anti-semitism and the various attempted coups by the Parliamentary Labour Party (PLP) the campaign has never ceased.

Claims are made about intimidating behaviour, anti-semitism, and misogyny and laid at Corbyn's door. As Frieda Park makes clear, "an atmosphere of abuse against Corbyn was stoked up within the PLP from the start". ("Anti-Corbyn attacks sink to a new low").

In the latest leadership contest the Blairites felt unable to field a candidate of their own who could beat Jeremy Corbyn. Their politics are anathema to the thousands of members who have joined the Labour Party and the plotters concluded that if they were to defeat Corbyn and open up space for themselves then they would have to support a candidate who masqueraded as left-wing and could steal the votes of some of those who hitherto supported Corbyn.

Even if Corbyn wins this second leadership contest this will not stop the Blairites. It is them and their plots which are more likely to make Labour unelectable at the next election.

Brexit

Frieda Park points out that "The British people voted to leave the European Union against the wishes and interests of the major part of the ruling class" ("Britain's working class

Commentary

support Brexit"). She argues that Labour must "focus on the disaffected working class who voted Leave and win them to a progressive agenda." Further, she adds that "the idea mooted by Owen Smith, Corbyn's challenger for the Labour leadership, that the referendum should be re-run" is not "going to make Labour more electable in Sunderland?"

Simon Korner argues that "any analysis of Brexit and its effects should be careful not to overlook the real possibility of the British vote being overturned or at least undermined." When Theresa May, the new Tory Prime Minister, stated after the Referendum result that "Brexit means Brexit" she was playing to the gallery. The fact remains that the dominant position of the British ruling class is that Britain should be part of the EU but with a different arrangement.

The EU, led by Germany, continues to inflict grave harm on Greece and the Greek people. The renewed privatisation programme "will amount to the biggest privatisation programme on the continent of Europe" states Alex Davidson and he concludes that the only thing missing from the Greek privatisation agency's office is a sign that says 'A Nation for Sale - Everything Must Go.'

Chakrabarti's Labour Report on the Labour Party

The Chakrabarti report on anti-semitism and other forms of racism in the Labour Party found no evidence of widespread or systematic anti-semitism in the Party. The well-orchestrated campaign to undermine the Labour Party, and especially the Labour Left, and the pro-Palestine Boycott, Divestment, Sanctions (BDS) movement has suffered a set-back. As Brian Durrans writes, although "The Chakrabarti Report has seriously wrong-footed Israel's supporters ... the anti-semitism smear campaign is unlikely to be abandoned."

Israel, and its defenders, will still argue that criticism of Israel is anti-semitic in a continuing attempt to discredit those who oppose and expose the horrific actions of the Israeli state against the Palestinian people.

Chilcot

Pat Turnbull reviews the lengthy 2.6 million word Chilcot Report into the Iraq War, costing £10million and taking seven years to complete, but as she points out it "has already disappeared from the news."

The Report provides a rich storehouse for those wishing to understand the workings of the British state including the intelligence services and armed forces. It is also very interesting in its coverage of the relationship between the different imperialist powers, notably that of the USA and Britain.

The Report concludes that "the war was unjustified." It must have made unwelcome reading for Blair and his accomplices who took Britain to war alongside the US.

At the Inquiry, a panel member, Sir Roderick Lyne, quoted Tony Blair as having said, 'if the Americans hadn't been wanting to do this, I would have been pushing them to do it' and then he posed the question to one of the witnesses, Sir David Manning, Foreign Policy Adviser to the Prime Minister and Head of the Cabinet Defence and Overseas Secretariat (2001-2003) "Is it fair to say from that that he (Blair) was much more forward leaning in terms of doing Iraq, getting rid of Saddam Hussein, than his principal advisers, including yourself, from what you have said?"

Sir David Manning, replied: "I think he was. I think this goes back. This is all of a piece ... I think if you look at the foreign policy track record, Iraq fits into a pattern. It's not an aberration. His (Blair's) interventionism in the Balkans, the active role he took over Kosovo, the more minor but rather significant, I think, success in Sierra Leone, the role he played in Afghanistan, he's very much an activist in foreign policy, and I think much more inclined to push and to take bold action ..."

Jeremy Corbyn could end this Labour tradition of imperialist warmongering. It would also break with tradition if the next Labour Government challenged the "dominance of the City of London" which "distorts the UK economy and underpins global finance capital" (see "Tax injustice and offshore finance" by Paul Sutton).

Anti-Corbyn attacks sink to a new low

The issues in British politics are bigger than they have been for decades, but too often the standard of debate around them falls far short of what would do them justice.

By **FRIEDA PARK**

Whether they are all positive trends or not, the rise of Scottish nationalism, Brexit and the election of Jeremy Corbyn as leader of the Labour Party show that when people see they can make a change they are willing to engage in politics.

This has come as a shock to the political class whose received wisdom is that the only way to win elections is to target the “centre” and tell people what to think.

Worse than that mass engagement in electoral politics seems to have opened up a Pandora’s Box with ordinary working-class people going off-message and influencing events.

Even a quick glance at social media reveals its strengths and weaknesses. On the one hand it enables people to get access to alternative sources of news and information, but on the other personal invective too often replaces political ideas as the currency of debate. It can be abusive and highly polarising.

All of this is easy to spot though not pleasant to have to confront. These are problems to a greater or lesser extent exhibited by protagonists on all sides of any debate.

But aside from the well-known defects of social media, there are some other trends in how debates are being framed and conducted which are fundamentally reactionary and are the preserve of one political trend.

The primary objectives are to close debate down, prevent left-wing ideas being expressed and to sow division. Much of this is being done under the guise of appealing to liberal and left-wing values.

This approach is often characterised by misrepresentation and stereotyping of other people’s views and by falsely associating reasonable arguments (whether correct or not) with outrageously discriminatory or

right-wing views. Furthermore, discriminatory attitudes are sometimes inferred where there is no real evidence to support their existence. A sense of outrage and righteousness can act as a barrier to listening to what other people are actually saying and trying to understand them.

The invention of the anti-Semitism issue in the Labour Party is one example of this.

The left is opposed to all forms of racism, including anti-Semitism, so by appealing to anti-racism the false allegation that anti-Semitism is rife in the Labour Party sets out to damage Corbyn, the Party and the increasingly successful Boycott, Disinvestment and Sanctions campaign. Opposition to Israeli policy and actions, it is said, creates the conditions for anti-Semitism to flourish.

The objective is to make people back off criticising Israel for fear of being labelled anti-Semitic.

An article in the *Guardian* entitled “Labour and the Left Have an Anti-Semitism Problem” by Jonathan Freedland⁽⁴⁾ exemplifies these tactics. Individual examples are held up as symptomatic of a deep seated problem without any real evidence to back that up and Freedland completely ignores the

prompt action taken by the Labour Party in dealing with instances of anti-Semitism. Guilt by association is used to attack Corbyn.

Among all of this obfuscation, however, the crux of his argument is laid bare when he says: “Many good people on the left want to make things neat and simple by saying that Israel and Zionism have nothing to do with Jews or Judaism.

“That they can deplore the former even while they protect and show solidarity with the latter. But it’s not quite as easy as that. While many Jews – especially in conversations with each other – condemn Israeli government policy going back many years, they do identify strongly with Israel and its people.

“A recent survey found that 93% of British Jews said Israel formed some part of their identity. Through ties of family or history, they are bound up with it. When Jews pray they face east – towards Jerusalem. And they have done that for 2,000 years.

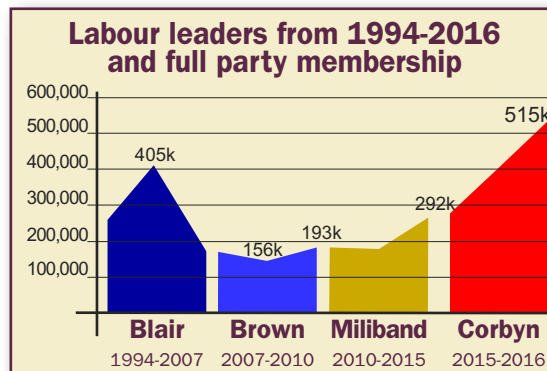
“It’s inconvenient, I know, but that needs to be remembered by those who insist that there’s no connection between Israel and Jews, that it’s perfectly possible to loathe everything about Israel – the world’s only Jewish country – without showing any hostility to Jews.”

It is, of course, another false argument to say that campaigners for solidarity with Palestine are engaged in “loathing everything about Israel”.

But where does Freedland leave us in pursuit of that campaign? It is OK to be a little bit critical of Israel but not to be too critical and it seems not to campaign vigorously against the systematic, gross and inhuman treatment of Palestinians. To do so runs the risk, by Freedland’s logic, of being anti-Israeli and by extension being labelled anti-Semitic.

Another made-up issue has been the sudden discovery of rampant misogyny in the Labour Party and the wider politics of Britain, but is this a real problem on the left in the way that is being claimed?

In another article in the *Guardian*, this time entitled “Woman-Hating Has Come Roaring Back – Now We



Must Confront It”⁽²⁾ Joan Smith makes a tenuous link between the killing of Jo Cox, Angela Eagle having her office window broken and death threats against Luciana Berger with the Yorkshire Ripper murders.

The latter clearly was motivated by hatred of women, but there is no evidence for such motivation in relation to the other incidents quoted.

It seems a more likely interpretation is that they were motivated by politics rather than gender. This does not mean that misogynist attacks on female politicians do not happen – they do – but because the recipient is a woman this does not make an attack automatically misogynist.

Smith mentions that male politicians have also received threats (which include death threats against Jeremy Corbyn), but she dismisses them as “whining” about it. She ascribes Angela Eagle’s failed leadership bid to misogyny rather than the fact that she was embarrassingly ineffective.

A letter sent by Paula Sherriff and 43 other female Labour MPs to Jeremy Corbyn makes claims about an atmosphere of threats and intimidation in the Party which has disproportionately affected women, especially Black and Minority Ethnic women, and calls for action.

No evidence is provided of this disproportionate effect on women nor are there specific examples of instances where Corbyn and the Labour Party failed to act. Surely if they wanted action then cases needed to be highlighted so they can be dealt with.

But we don’t get that we only get broad accusations designed only to undermine Corbyn. Outrageously they condemn him for opposing a secret vote at the NEC on whether he had a right to be on the ballot for the leadership election.

Most Labour Party members would probably regard it as up-holding democracy to know how their representatives voted. There is a further implication here that only opponents of Corbyn are being abused which is not the case.

The second signature on the letter is that of, Jess Phillips, who has made her name by a willingness to tour TV studios making nasty attacks on Corbyn.

She was also quite happy to take a pot-shot at black, female Labour MP, Diane Abbott who she told to “fuck off”. The incident happened at a Parliamentary Labour Party (PLP) meeting not long after Corbyn was elected and Phillips enthusiastically elaborated on what she said for the Huffington Post.⁽³⁾

It reported: “Ms Phillips, who despite being elected in May has already earned

a reputation for being one of the most outspoken MPs, said: ‘I roundly told her to fuck off.’ When asked what Ms Abbott did after that suggestion, Ms Phillips replied: ‘She fucked off.’ She added: ‘People said to me they had always wanted to say that to her, and I don’t know why they don’t as the opportunity presents itself every other minute. I said: ‘Who the fuck do you think you are?’”

Notoriously she said of Corbyn: “The day that it becomes you are hurting us more than helping us, I won’t knife you in the back, I will knife you in the front.”, whilst also saying that she had “berated” him and his office.

Phillips has received vile threats on Twitter, but she is not only a victim she is also a perpetrator.

That an atmosphere of abuse against Corbyn was stoked up within the PLP from the start is conveniently ignored by those who wish to pretend any problem originated with Corbyn and his supporters. If they want to honestly deal with this issue they need to face up to their own responsibilities and to stop framing it as a gender issue.

That an atmosphere of abuse against Corbyn was stoked up within the PLP from the start is conveniently ignored by those who wish to pretend any problem originated with Corbyn and his supporters. If they want to honestly deal with this issue they need to face up to their own responsibilities and to stop framing it as a gender issue.

Discriminatory attitudes are an ever present part of our society and infect politics as well as other aspects of our everyday lives. Our first approach should be debate and education to change peoples’ minds and how they behave.

This is rarely achieved by hectoring individuals about how wrong they are and threatening sanctions. Where people are the subject of discrimination, threats or violence then the Labour Party has rules which are used to deal with this and the criminal law can be applied.

To turn these serious issues into a battering ram to attack Corbyn is not only not credible, given his record as a campaigner over the years, it also does a se-

rious disservice to the fight for equality and against discrimination.

A third example of how a “liberal” narrative was created and opponents demonised was during the European Union (EU) referendum debate.

Perniciously this overtly characterised the white working-class, particularly in the North of England, as motivated by racism and xenophobia where they supported leaving the EU. Those on the left who had a reasoned position against the EU were subject to guilt by association and vilification.

They were said to be on the same side as Johnson, Farage and the *Daily Mail* and to be giving succour to racist attacks. The EU, supported by Cameron, Theresa May and other sections of the capitalist press was held up as the bastion of liberal values.

This seems to have been espoused as an article of faith by some with a lack of willingness to listen to other points of view.

It was said that many who voted Leave did not know what they were voting for, but the question was never asked the other way around. Did those who voted to Remain know what they were voting for? Leavers were ignorant and Remainers informed was the mainstream media narrative.

There is no doubt that the referendum gave a platform for xenophobia, but saying that this was the only motivation for the Leave majority fails to acknowledge their many concerns.

Then surprise, surprise! The Brexit vote became the pretext for another attack on Corbyn and the launch pad for the protracted coup attempt against him.

He travelled the length of the country speaking for the EU and his own constituency returned a big majority for Remain. This was in contrast to many of his critics such as Margaret Hodge, who launched the coup attempt. And this from an MP whose London constituency – Barking and Dagenham – voted 62% in favour of Brexit.

For people who are supposed to be concerned with the electability of the Labour Party the coup plotters of the PLP seem remarkably unconcerned about the effects of their contempt for democratic processes.

This applies not only within the Labour Party, but in the country at large. By insisting that Corbyn had not done enough to convince Labour voters they imply voters cannot think for themselves.

This is hardly likely to appeal to the swathes of the working class who voted Leave. Even more anti-democratic is the

Continued on page 6

Report rejects anti-Semitism smear

Labour and Palestine solidarity have lessons to learn from the report of the Chakrabarti Inquiry, which rejects claims that the Party 'has a problem with anti-Semitism'.

By **BRIAN DURRANS**

In the last issue of this journal (No. 25, summer 2016), Questor exposed the well-orchestrated campaign to undermine both the Labour left and the pro-Palestine Boycott, Divestment and Sanctions (BDS) movement as 'anti-Semitic'. As we pointed out, Labour's relative success in the May elections was a setback for that campaign.

Since then, the Chakrabarti Inquiry on anti-Semitism in the Labour Party - with expanded terms of reference to include Islamophobia and other forms of racism as well - issued its report on 30 June.

Its promptness was favourably noted by those grown old waiting for the Chilcott Report which appeared a few days after, and, like Chilcott, though for different reasons, it represents a further setback for the right.⁽¹⁾

Wrong-Footed

The Chakrabarti Report has seriously wrong-footed Israel's supporters, with some guardedly welcoming it and others openly critical;⁽²⁾ but if the 'anti-Semitism' smear campaign is unlikely to be abandoned,⁽³⁾ its main objectives of



Shami Chakrabarti

delegitimising criticism of Israel, consolidating Zionist influence in the Labour Party and, above all, demonising Jeremy Corbyn, have suffered a conspicuous defeat.

The Inquiry may have given Corbyn only a short respite from the type of smear on which it focused, but the clarity of the report itself, and of the thinking which went into many of the submissions it considered, has helped educate members on basic principles and

how to resist intimidation and needless division which should stand both the Party and Palestine solidarity in good stead for years to come.

And indications from opinion polls in connection with the Labour leadership contest indicate that Corbyn's popularity is stronger than ever.

In particular, the inquiry:

- found no evidence of widespread or systematic anti-Semitism in the Labour Party;

- rejected the idea of any 'hierarchy of racism', meaning that Islamophobia, anti-Semitism and what it called Afriphobia are "all equally vile forms of racism" - that is, anti-Semitism is not a special case;

- Zionism as a political position does not equate to Judaism;

- activists cannot be expected to highlight issues relating to one country or government only on the condition that they spend equal time on infractions or injustices elsewhere - hence you can campaign for Palestinian rights without being accused of unfairly 'singling out Israel' for anti-Semitic reasons; and

- sharing a platform with someone whose views you don't necessarily share does not make you 'guilty by association'.

Each of these points, which the Inquiry has now decisively nailed, had been repeated by Israel's friends and reported in the media against Corbyn and the Labour leadership, and against

Anti-Corbyn attacks sink to a new low

Continued from page 5

idea mooted by Owen Smith, Corbyn's challenger for the Labour leadership, that the referendum should be re-run. How is that going to make Labour more electable in Sunderland?

These attacks on the left and Jeremy Corbyn are based on hypocrisy and a wholesale misrepresentation of people's actual views. They seek to sow division within the Labour Party, confuse the public and to create a rightward trend.

We need to deal with ever-present problems such as anti-Semitism, misogyny and xenophobia. On the left that is what we have always done.

By continuing this fight and by campaigning for progressive policies which will transform working class lives and unify the country we will begin to overcome the poverty and hopelessness which the right channels into prejudice.

That is what the left and Corbyn have to offer and it stands in stark contrast to the negativity and machinations of

their opponents.

FOOTNOTES

1. *Labour and the left have an Anti-Semitism Problem*, Jonathan Freedland, *The Guardian* 18/3/16.

2. *Woman-Hating Has Come Roaring Back - Now We Must Confront It*, Joan Smith, *The Guardian* 28/7/16

3. Labour MP Jess Phillips: *I told Diane Abbott to F*ck Off during Feminism Row*. Owen Bennett, *The Huffington Post* UK 17/9/15.



**Labour Party leader
Jeremy Corbyn**

everyone sympathetic to, or campaigning for, Palestinian rights.

Regarding the Report's formal recommendations:

- there is a welcome if implicit rejection of the discredited EUMC (European Monitoring Centre on Racism and Xenophobia) working definition of anti-Semitism. This definition, which the EU itself has rejected,⁽⁴⁾ explicitly targets legitimate criticism of Israel and would limit freedom of expression by formulating Zionism as merely an aspiration to Jewish self-determination rather than the credo of a state founded on the dispossession of Palestinians;⁽⁵⁾

- eight of the recommendations should ensure that in future any allegations of racism against party members will be investigated according to principles of natural justice, rather than by media or with a presumption of guilt; and

- education and training needs across the Party relating to such matters will be handled in partnership with "Trade Unions and Higher Education providers" - a welcome rejection of the bid for this role by the strongly pro-Israel 'Jewish Labour Movement'⁽⁶⁾ and / or the Jewish Board of Deputies.⁽⁷⁾

The forward march of BDS continued

The BDS movement - the other target of 'anti-Semitism' allegations - also dented the smear campaign when an attempt by some supporters of Israel, styling themselves 'Jewish Human Rights Watch', to prevent local authorities from applying ethical criteria when letting contracts was recently rejected by the High Court.⁽⁸⁾

The same pro-Israel group also 'hinted', back in February, that it might take legal action against Cambridge University allowing pro-Palestinian students

during Israeli Apartheid Week to erect a mock checkpoint to dramatise their argument.

The group describes the structure - with no sense of irony in view of how Palestinians have to endure such things in the reality of the Occupied Territories - as a "deliberately intimidating paramilitary-style antisemitic 'checkpoint'";⁽⁹⁾ but if the clear and unapologetic defence the university's decision from its Vice-Chancellor was not reason enough, the group's experience in the High Court may well have dissuaded them from trying to take their bizarre complaint any further.

Have the smearers overplayed their hand?

Labour's right-wing, having failed to force Corbyn's resignation in penance for what it sees as the EU referendum 'defeat', is trying to damage him, and the Party itself, by means of a second leadership election which it seems unlikely to win.

'Anti-Semitism' innuendo may well continue to serve its intended purpose, but as further exposés and counter-arguments on this issue gain traction - and if Labour can see off this latest onslaught from the right - the smear campaign may prove not only less effective than its manipulators hoped but also more counter-productive than they could have imagined.

If at the moment the Labour leadership odds favour Corbyn over former corporate lobbyist and pro-austerity-voting Owen Smith, it is less clear what the right-wing will do if the membership defeats them for the second time in two years.

Having demonised Corbyn as a friend of 'terrorists', the pro-Israel lobby has little room to negotiate favours, and faces the possibility of a major setback if

Having demonised Corbyn as a friend of 'terrorists', the pro-Israel lobby has little room to negotiate favours, and faces the possibility of a major setback if Labour can rejuvenate itself around a left or non-Blairite centre-left anti-war and anti-austerity agenda, and which, in the best traditions of the Labour movement, also sides with Palestinians rather than with their oppressors.



**Conservative Prime Minister
Theresa May**

Labour can rejuvenate itself around a left or non-Blairite centre-left anti-war and anti-austerity agenda, and which, in the best traditions of the Labour movement, also sides with Palestinians rather than with their oppressors.

In Britain, as in the US, Israel's friends have adopted a bipartisan strategy, developed and maintained over many decades, to ensure that neither Labour nor Conservatives, nor Democrats nor Republicans, will act against Israeli interests during their oscillating administrations, whatever (usually slight) rhetorical differences there might be between them.

Under Obama, this strategy has shown the first signs of unravelling; but in Britain it may be under more serious threat, broadly vindicating predictions made by the right-wing Israeli think tank, the Reut Institute, in 2010.⁽¹⁰⁾

One lovely black eye

In the meantime, the UK's new Conservative Prime Minister, Theresa May, brings to her new job some weasel words of social inclusiveness but also a track record as Home Secretary that tells a very different story.

In 2012, she was at the centre of a controversial attempt to curtail free speech which ended in a humiliating black eye in the High Court. Writing in the *Guardian* online, 9 April 2012, journalist David Hearst argued that 'the heart of the matter' in the Home Secretary's illegitimate attempt to exclude Palestinian community leader Sheikh Salah from the UK was her exclusive reliance on untrustworthy advice from the (staunchly pro-Israel) Community Security Trust (CST).⁽¹¹⁾

That advice, in the view of two expert witnesses, 'failed to distinguish between

anti-Semitism, which Salah denied, and criticism of the acts of the Israeli state - for which he was justifiably unrepentant - and therefore gave an unbalanced perspective.'

This is indeed a crucial point. The CST's arguments which the then Home Secretary accepted amounted to a propaganda defence of Israeli apartheid.⁽¹²⁾

FOOTNOTES

1. The full report, including its membership, their credentials, its terms of reference and recommendations, was published immediately online: <http://www.labour.org.uk/page/-/party-documents/ChakrabartiInquiry.pdf>.

2. Compare, for example, http://www.jlm.org.uk/jewish_labour_movement_reaction_to_chakrabarti_inquiry_report; and <https://engageonline.wordpress.com/2016/06/30/preliminary-response-to-the-chakrabarti-inquiry-into-antisemitism-in-the-labour-party-david-hirsh/>. The anti-Zionist Free Speech on Israel network is also critical of some aspects of the report: <http://freespeechonisrael.org.uk/chakrabarti-missed-opportunity-develop-anti-racist-policy-labour/>, while the Palestine Solidarity Campaign sees its value in assisting the solidarity movement: <http://www.palestinecampaign.org/chakrabarti-report-welcomed-palestine-solidarity-campaign/>.

3. At the press launch of the report, a Labour activist criticised MP Ruth Smeeth, who was present, for colluding with a *Daily Telegraph* journalist against Jeremy Corbyn then under open attack from most of the parliamentary party. The activist's comments, though strongly expressed, had nothing to do with the Chakrabarti Report, yet were misrepresented by some of the media as an expression of anti-Semitism. A careful review of

Jeremy would, Theresa may?

Although he did nothing to fit actions to his words, Theresa May's predecessor as Prime Minister, David Cameron, did at least say, on a visit to Gaza in 2010, that the blockade had turned it into an open-air prison-camp.⁽¹³⁾

Whether his former Home Secretary will do any better will partly depend on how much pressure she is under and

the video coverage shows no evidence to justify this, and the same applies to allegations reported as fact that Corbyn on this occasion compared Israel to IS: <https://electronicintifada.net/blogs/asa-winstanley/media-concoct-firestorm-jeremy-corbyn-launches-anti-semitism-report>. Well after the report that found Labour does not have 'a problem with anti-Semitism', and before she herself withdrew from the leadership contest, Angela Eagle demonstrated her unfitness for office with a malicious meme of her own by claiming that if it failed to elect her, Labour would remain, among other negative things, an anti-Semitic 'nasty party'.

4. <https://benwhite.org.uk/tag/anti-semitism/>.

5. <http://www.palestinecampaign.org/wp/wp-content/uploads/Evidence-from-PSC-to-Chakrabarti-inquiry-final-June-2016.pdf>, page 4.

6. <http://freespeechonisrael.org.uk/who-are-jewish-labour-movement/>.

7. Jonathan Arkush, President of the Board of Deputies, is openly hostile to Corbyn: <https://www.politicshome.com/news/uk/political-parties/labour-party/news/76155/labour-anti-semitism-problems-stem-jeremy-corbyns>.

8. Announced in late June, the ruling was hailed as a victory for local democracy as well as for the BDS movement. The defeated action had been brought against Leicester,

from which side it comes.

But on the issue of Israel-Palestine, if the Conservatives are confronted by a Corbyn-led Labour Party, clear and confident of its principles and able to argue them while swatting aside any further smears of anti-Semitism with a rolled-up copy of the Chakrabarti Report, then she will either need to compromise or have a real fight on her hands.⁽¹⁴⁾

Swansea and Gwynedd city councils, all of which had passed resolutions to boycott Israeli settlement goods. The plaintiff was ordered to pay costs. <http://english.pnn.ps/2016/06/28/victory-for-bds-as-high-court-rules-councils-can-boycott-israel/>.

9. <http://www.algemeiner.com/2016/02/25/jewish-human-rights-group-hints-at-legal-action-against-cambridge-u-over-mock-checkpoint-erected-for-israeli-apartheid-week/#>.

10. <http://reut-institute.org/en/Publication.aspx?PublicationId=3949>; and <http://www.thejc.com/news/uk-news/42063/londons-hub-israel-hate>.

11. <https://electronicintifada.net/blogs/ben-white/anti-semitism-watch-dog-cst-abusing-mandate-defend-israel>.

12. <http://www.theguardian.com/politics/2010/jul/27/david-cameron-gaza-prison-camp>.

13. For a succinct, documented and up-to-date summary of the grounds for characterising Israel as an apartheid state, see Ben White's recent article at <http://www.palestinecampaign.org/article-israel-apartheid-state/>.

14. It is too soon to say whether her welcome declaration that Palestinians must be granted full human rights is more than just rhetoric. Could she have learned from her mauling by the High Court four years ago? <https://electronicintifada.net/blogs/li-abunimah/theresa-may-palestinians-must-have-full-civil-rights>.

The Socialist Correspondent

To contact
The Socialist Correspondent
email the editor:

editor@thesocialistcorrespondent.org.uk
www.thesocialistcorrespondent.org.uk

Discussion, debate and authors' opinions to encourage the broadest possible discussion and debate around the aims of exposing capitalism and promoting socialism.

SUBSCRIBE NOW



Britain's working class supports Brexit

In the referendum of 23rd June 2016 the British people voted to leave the European Union against the wishes and interests of the major part of its ruling class.

By **FRIEDA PARK**

Brexit was also opposed by most of the representatives of the capitalist class in the European Union (EU) and the United States of America (US).

How did this happen and what is its significance?

Britain, Europe and the World

There are more recent causes, but the origins of the Brexit vote are rooted in the history of Europe, which was where capitalism was founded and competing nation states grew up to defend "their" capitalists' interests.

These nations extended their economic power across the globe seeking markets, raw materials and cheap labour. The biggest players in this were, and are, Britain, Germany and France. Conflicts between them resulted in two world wars and the bloody conquest and division of the world between them.

The European Union contains, but is also riven by, this rivalry. Understanding this is key to understanding the development of the EU and is one of the reasons why Britain voted to leave.

No doubt US and European capitalism - despite their rivalries - recognised the importance of unity and collaboration in the founding of the EU as a strategic force against advancing socialism.

Post the Second World War France saw the opportunity to contain Germany and had designs on its raw materials. This resulted in the foundation of the forerunner to the EU - the European Coal and Steel Community.

This was no ordinary treaty, however, as it created a supra-national authority to run it. This was the seed which grew into the Triffid of the EU institutions that we know today.

France's bid for dominance in Europe and its wish that Europe be more independent of US influence, was the reason why it was resistant to Britain,

vetoing its early applications to join the European Economic Community.

The EU and its previous incarnations were vital to French and increasingly German interests but Britain was always more ambivalent.

Britain had had the biggest Empire that the world had ever seen and even with that in decline it retained its ties to its former colonies through the Commonwealth.

It also had a close "special" relationship with its former colony, the USA,

which had replaced it as the world's predominant imperial power.

For France and Germany, the EU became central to the interests of their capitalist classes creating a large market, latterly cheap labour and international heft economically and politically.

The EU was historically less vital to British interests and the surrender of some sovereignty to it was more problematic. Euroscepticism has its origins in this.

British membership of the EU, however, inevitably meant that its interests became increasingly tied up with it. In particular, the City of London's pre-eminence as a financial centre benefited.

Our increasingly parasitic economy, neo-liberal policies and decline in the rest of the world, however, only fed divisions within British capitalism and disenchantment among the electorate. Although British interests increasingly lay with EU membership, this did not lead to a greater pro-EU sentiment.

Arising out of the recent financial crisis, the most significant change in the EU was the rise of Germany to become unequivocally its dominant power. France was side-lined and Britain, with its half-in half-out relationship with the EU could not compete.

What Angela Merkel says about Brexit, Greek debt or anything else is what matters, not what Jean-Claude Juncker, the European Central Bank or Francois Hollande might say.

The Tory Party and Euroscepticism

Historical ideas about Britain's place in the world, its continued decline and ambivalence about the EU, provided fertile ground for Euroscepticism in the party of the ruling class - the Tory Party.

Unchallenged Euroscepticism became a calling card for the Tories to win support electorally - much better to blame Brussels than to admit the failings of British capitalism.

Hostility to the EU became a deepening trend and caused major problems for post-Thatcher Tory leaders who found it increasingly difficult to manage.

How Britain Voted - 23 June 2016		
	Votes	%
Leave	17,410,742	51.9
Remain	16,141,241	48.1
Turnout: 72.2% - Votes cast: 33,551,983		

	Leave	Remain
ENGLAND	15.2m	13.3m
	53%	47%
East Midlands	59%	41%
East of England	56.5%	43.5%
Greater London	40%	60%
North East	58%	42%
North West	54%	46%
South East	52%	48%
South West	53%	47%
West Midlands	59%	41%
Yorks & Humber	58%	42%
N IRELAND	0.35m	0.44m
	44%	56%
SCOTLAND	1.0m	1.7m
	38%	62%
WALES	0.85m	0.77m
	52.5%	47.5%

This eventually led David Cameron to make the fatal error of promising a referendum on British membership in an attempt to kick the issue into the long grass.

It is significant that many Brexiteers and Remainers in the Tory leadership could just as easily have been on the other side of the argument.

This was evident in Boris Johnson's opportunistic support for Leave, a move prompted by his ambition to replace Cameron as Tory leader. This resulted from yet another of Cameron's poor judgements, having declared that he would step down at the next General Election.

The referendum has exposed just how shallow the Tory leadership is in terms of political aptitude. It has cost Cameron his position as Prime Minister and dashed the ambitions of George Osborne, Boris Johnson and Michael Gove.

Politics in Britain

Neo-liberalism has dominated the policies of successive British governments since Margaret Thatcher came to power.

New Labour under Tony Blair and Gordon Brown failed to deliver enough for the working-class or to change the direction of the British economy.

Swathes of working-class and middle-class voters lost confidence in Labour and stopped voting or else switched their allegiance to alternatives, such as the Scottish National Party and the UK Independence Party.

There was a decline also in the Trades Unions and in class struggle. People were disaffected, but the political establishment, wedded to the idea of spinning their policies rather than changing people's material circumstances, failed to understand the significance of this.

Not only were people less susceptible to being told what to think, the electorate was becoming more fragmented. The warning came at the General Election of 2014 when pre-polling failed to predict the Tory majority. It was a warning that was ignored.

The political establishment, its pundits and pollsters did not understand how people might vote in the EU referendum and why they might do this.

The lessons of the Scottish independence referendum were also largely ignored. Firstly, a referendum does not necessarily settle matters. Although they lost the referendum in Scotland, the SNP has grown in strength and influence since the result.

Complex issues get conflated into a simple yes/no option and the debate can become highly polarised, negative and divisive. This can have lasting conse-

quences. Labour in Scotland was damaged by standing shoulder to shoulder, campaigning with the Tories in "Better Together". Though many in Labour made this mistake again over the EU, at least Jeremy Corbyn did not.

In a referendum people see that they can actually get a clear outcome on something that matters and not a political fudge.

Many people, who are generally alienated from electoral politics, will come out to vote and they are more likely to be an unknown quantity. None of this seemed to impact on the decision to press ahead with a referendum nor the conduct of the campaign.

So the stage was set for a Brexit vote.

What does the result mean?

What will be the outcome?

Like the General Election the results were varied across the nations and regions. It seems that there was stronger support for Leave among those who had lost the most in recent years – the working-class.

Will the result of the referendum be respected and will Britain actually leave the European Union?

This was true even in areas with a strong Remain vote. Wrongly, working-class Brexiteers were stereotyped in the campaign as being racist and xenophobic. If we are to defeat racism, then we must end the conditions in which it is fomented – the politics of divide and rule and the dismal circumstances of most peoples' lives.

Because of their longstanding divisions over the EU, the Tory Party has found it difficult to effectively represent the interests of British capitalism on this issue.

Capitalism's fall-back position of a relatively tame Labour Party is certainly not an option with Jeremy Corbyn as leader. Can Corbyn be ousted and the New Labourites put back in control? If these options fail will there be a move to re-align the political parties?

The big question is: Will the result of the referendum be respected and will Britain actually leave the EU?

There is a growing tradition of re-running ballots in member states until the "right" result is achieved. This is a possible option further down the line.

It is less likely that the result, which has no legal status, will simply be ignored. Although Cameron said during the campaign that the Article 50 process of leaving the EU would be triggered im-

mediately, this is now being put back further and further.

Another impediment to efforts to salvage British membership is the rest of the EU. Whether other members want Britain in or out, in the current situation they have to play hard-ball to discourage similar bad behaviour.

So far they have said that there will be no negotiation until Article 50 is invoked, making it harder to get a sellable deal which can be placed before the British people in a second referendum.

Further headaches arise from the strong Remain votes in Scotland and the North of Ireland.

The only region of England to vote Remain was London but this does not pose the same constitutional problem.

The Scottish National Party is in overdrive, proclaiming that the UK-wide vote violates the will of the Scottish people and Scotland's interests.

This has led to a great deal of grandstanding by Nicola Sturgeon, popping up in Brussels and meeting EU member states representatives in Scotland.

All this is meaningless in real terms as Scotland is in no position to negotiate with the EU while part of the UK, but it is designed to set the scene for a further referendum on Scottish independence.

In Ireland the border between North and South, which hardly exists just now, could become a problem on Brexit. It will almost certainly require proper border controls disrupting peoples' lives and economic activity.

Sinn Fein has said that this could be grounds for a referendum on Irish reunification.

We are faced with a great deal of uncertainty in the coming months and years, but in or out it is clear this crisis has exposed underlying weaknesses in British capitalism economically, in its world role and its ability to manage events politically. The vote to leave will make it weaker still.

Capitalist austerity and neo-liberalism offers nothing to the working-class leading to disaffection and volatile political outcomes.

Germany will be even more dominant in the EU and the United States will continue to re-assess the value of its "special relationship" with Britain and its ties to other European nations. Although remaining partners in NATO and other international alliances, a Britain outside the EU is less useful to the US.

Politics dominated by constitutional issues to nothing to promote working-class interests and class struggle.

Labour needs to focus on the disaffected working-class who voted Leave and win them for a progressive agenda.

Hostility to EU on the rise across Europe

Brexit will lead to greater German economic dominance over the rest of Europe – and at the same time create serious challenges for it

By SIMON KORNER

The exit of the EU's second biggest economy will give Germany even greater weight in Europe than it has now. But Brexit poses problems for German imperialism.

First, Germany will be exposed definitively as the pre-eminent European power – a role already obvious from its treatment of Greece but given a degree of cover by Britain's presence within the EU.

As the *Financial Times* put it: "Ms Merkel (pictured) has shielded herself with allies... If Germany now starts giving orders even more than it does already, it will be more vulnerable to charges of hegemony." On the other hand, Germany cannot afford to leave "a political vacuum for others to fill, notably nationalists in France and elsewhere."

As *Der Spiegel* commented, Germany has been "condemned to take on the leadership role it never wanted."

Second, other EU countries may now see Brexit as an opportunity to resist German-led austerity.

France and Italy, with economies suffering inside the EU trap, have the potential to form a united front – along with Spain – against Germany's insistence on tight budgetary constraints.

German strategy in response to this will be to keep the most powerful of these, France, close – at the core of the EU – to prevent any loosening of EU integration. It will also insist that Italy – with its massive state debts, shrinking GDP and crisis-ridden banks – sticks to the EU rules imposed after the 2008 financial crisis: that private savers and shareholders must be liable for 8% of any bank losses before any state bailout can be allowed.

Likewise, Spain and Portugal are now

facing stringent fines for having broken the EU's budgetary spending rules – a clear sign of the way Germany is going to defend its dominance post-Brexit.

For the same reason, Germany won't allow Britain to be seen to gain from Brexit. Merkel has already made it clear that Britain will not be able to "cherry pick" aspects of EU membership, stating that any access to the single market depends on acceptance of the "four freedoms" – free movement of people, goods, services and capital.

In spite of its widespread ability to dictate terms post-Brexit, Germany may find it hard to impose its authority on 27 EU countries simultaneously.

One growing challenge, for example, comes from the east European nations, who declared at a post-Brexit summit in

Warsaw that they wanted more autonomy for nation states within the EU.

A third problem facing Germany post-Brexit is the growth of mass euroscepticism across Europe – largely as a result of the austerity policies above.

In the French referendum in May 2005 on adopting the EU constitution, 55% voted No. Commenting on it in the *New Statesman*, Professor Robert Tombs said: "A now familiar pattern emerged: enthusiastic Europeanism was confined to the wealthiest suburbs and quarters of Paris, and the only professional groups that strongly voted Yes were big business, the liberal professions and academics."

More recently, the results of a Pew Research Center poll last month showed that 61% of the French population has a negative view of the EU, and a clear majority of the working class favours Frexit.

The Front National is calling for a referendum, with other rightwing parties such as Sarkozy's Parti Républicain calling for treaty revision and an end to enlargement. On the left, the French Communist Party, part of the Front de Gauche coalition, backs a referendum, while harder line communists are calling for Frexit.

This groundswell of anti-EU feeling, given a major boost by Brexit, has led President Hollande – facing significant class struggle against his government's anti-trade union legislation – to call for the rapid triggering of Article 50, in the hope that any difficulties experienced by Britain will act as a deterrent to others. "It can serve as a lesson for those who seek the end of Europe," Mr Hollande said.

A Pew poll in the Netherlands last month put the anti-EU numbers as high as in Britain.

It is this "anti-EU sentiment in the union's western heartland", as the *Financial Times* put it, that poses the most serious challenge for Germany.

Other EU countries are likewise increasingly Eurosceptic.

Roughly half of all Italians would vote to leave the EU if they were given a referendum, according to opinion polls. Both the reactionary populist Five Star movement and the right-wing Northern League have called for such an opportunity, while most of the communist groups in Italy – the Fronte Popolare, the Partito Comunista and the Partito Comunista d'Italia – hailed the Brexit vote. The reformist Rifondazione Comunista, however, argues for democratising the EU from within.

Spain's Podemos – which suffered a setback in the general election that took place just after the Brexit decision – takes a similar position as Rifondazione Comunista, calling the Brexit vote "a sad day for Europe" and arguing for reform within the EU.

But Spain's Communist Party, with which Podemos has been in an electoral alliance, has a clearer anti-EU position, arguing that to regain sovereignty, the country would need to leave the EU. This is in line with the clear majority of



Angela Merkel

Spanish people who disapprove of the EU, according to polls.

In Portugal the influential Communist Party sees the Brexit vote as a positive development, a chance for workers across Europe to begin campaigning to leave the euro and the single market. It blames the EU, among other causes, for Portugal's huge public and foreign debt, which is among the highest in the world.

Most of the Communist and left parties in Europe – in Holland, Belgium, Finland, Sweden, Denmark, Greece, the former Yugoslavia, Ireland – have Leave positions.

The Finnish party (CPF) says the Brexit decision “opens up a new political course for the left” arguing that the EU promise of peace and prosperity has brought discord and poverty. The party chairperson said: “Breaking with the EU's treaties, which are undemocratic and impoverish working people, has been an aim of the Party for as long as Finland has been an EU member... We reject the way in which Finland is increasingly party to EU agreements without there being proper public debate and the use of referendums. We reject the narrowing of democracy... National economies must be released from the shackles of the neoliberal euro regime... so that the specific needs of each country and differences in development can be flexibly taken into account.”

The Swiss CP – in a country closely tied to, but not a member of, the EU – has urged the left in Europe to “abandon the romantic view” that confuses EU membership with internationalism.

In the Czech Republic, the president has called for a referendum on both EU and Nato membership, while the Communist Party, the third biggest party in the Czech parliament, vocally opposes the Lisbon Treaty as imposing “a reactionary antisocial and military politics against the interests of the people.”

In Hungary, Orban's rightwing government plans to hold a referendum on the resettlement of refugees, with the consequent threat that could pose to EU cohesion.

Closer to the German heartland, in Austria there could well be a referendum, if the far right eurosceptic candidate wins the re-run presidential elections,

In Germany itself where, according to *Foreign Affairs*, in spite of low official unemployment 12.5 million people are classified as poor and over 3 million people live below the poverty line. Pew Research shows the same EU disapproval rate as in Britain. The eurosceptic Alternative für Deutschland is growing. On the left, the German Communist

Party (DKP) has called for a German left exit, while Die Linke wants reform inside the EU.

What this picture shows is the rise of a broad wave of popular euroscepticism – not in the least confined to the nationalist right – which represents a challenge to Germany's strategy of stabilising and tightening the EU structures.

A fourth problem for Germany post-Brexit – but also a potential opportunity – is in the military sphere. Without the British, Germany and France will feel freer to develop a military structure outside US control. According to Germany's defence minister Ursula von der Leyen, Britain “consistently blocked everything that had Europe written on it.”

A post-Brexit discussion paper *A strong Europe in an uncertain world*, drawn up by the French and German foreign ministers, states that the EU should develop “step by step into an independent and global actor”. The EU High Representative, Federica Mogherini likewise called for deepening EU military co-operation.

... any analysis of Brexit and its effects should be careful not to overlook the real possibility of the British vote being overturned or at least undermined.

Steinmeier, the German foreign minister, made a more directly nationalist statement at the post-Brexit Nato summit, stating that Germany was now a “central player” in the world, and criticised the US for having “stumbled” in this role.

But while Germany has re-armed massively over the past decade, and has been given concessions by the US at the Nato summit – gaining the leading military role in Lithuania as part of the new Nato deployment against Russia – Germany is not yet ready to challenge American foreign policy head-on.

Though the *New York Times* (June 27) complained that US ability to force EU countries to pay for Nato missions has been “suddenly diminished”, America will continue to use Britain as a powerful lever to control Europe – from outside the EU but within Nato. So it remains to be seen how far any changes will actually go.

Moreover, any opportunities Brexit gives Germany in military terms are likely to come up against French military ambitions.

France, an independent nuclear power with the biggest armed forces in the EU, may have accepted its economically subordinate role vis a vis Germany, but will seek to re-assert itself militarily as an autonomous player, in line with traditional Gaullist foreign policy.

Hollande has already made it clear, for example, that France disapproves of Nato's belligerent Russia policy: “Nato has no role at all to be saying what Europe's relations with Russia should be. For France, Russia is not an adversary, not a threat,” he said.

Meanwhile, Poland and other east European countries have demanded more Nato involvement in Europe, not less, believing that Germany and France have been too weak in the face of a resurgent Russia, particularly over Ukraine. Their call for a greater US presence in Europe is at the same time a plea for protection against the growing might of Germany.

Though it is impossible to predict the future, clearly the old system of alliances is coming under strain. According to *Der Spiegel*, Brexit plus a Trump presidency could destabilise “seemingly permanent alliances.”

As with Nato, the TTIP trade deal is under strain post-Brexit. Though a British-US trade deal will go ahead bilaterally – according to commentators such as Nick Dearden, director of Global Justice Now – for the rest of the EU, without Britain as TTIP's main cheerleader, the deal is less certain.

Not only will TTIP be delayed until after the triggering of Article 50 – and the ensuing discussions over UK-EU relations – but France is increasingly wary of TTIP, facing opposition to it from both left and right. Prime minister Valls stated recently that TTIP was contrary to “EU interests”.

In Germany, only 17% of the population support TTIP, according to a recent poll, with similar scepticism in Austria and elsewhere.

The think-tank Chatham House believes that the drive towards TTIP – an “economic Nato”, in Hillary Clinton's words – has been seriously weakened by Brexit. This poses a problem for German imperialism, as TTIP is a key element in its austerity agenda and a means of reinforcing itself against Chinese competition.

In conclusion, any analysis of Brexit and its effects should be careful not to overlook the real possibility of the British vote being overturned or at least undermined. However, if Brexit really does mean Brexit, its effects could be summed up as accelerating political processes already underway and sharpening existing contradictions.

Brexit vote hailed as huge victory

Statement by João Ferreira MEP in the European Parliament on behalf of the Portuguese Communist Party.

24 June 2016

The victory of the exit from the European Union in the referendum held in the United Kingdom is an event of tremendous political magnitude for the people of the United Kingdom and also for the peoples of Europe.

It represents a far-reaching change in the process of capitalist integration in Europe and a new threshold of struggle for those who have, for decades, fought against the European Union of big business and the big powers, and for a Europe of the workers and the peoples.

The British people have decided on the future of their country, in a sovereign way.

This fact must be hailed and respected, all the more so, since this referendum was held in the context of enormous and unacceptable pressure and blackmail, namely by the big transnational economic groups and big finance capital, as well as by organisations such as the IMF, OECD and even the European Union itself.

This result is therefore also a victory against fear, supposed inevitabilities, submission and catastrophism.



João Ferreira MEP

Whilst not ignoring the many motivations that presided over the convening of this referendum, and a campaign that was instigated by elements of a reactionary nature and with overt political manipulation – which the PCP frontally rejects and opposes – the referendum's results express, above all, the rejection of the European Union's policies.

To all those who now irresponsibly promote the idea that these results represent a negative development, the PCP states that the exercise of the democratic and sovereign rights of a people cannot be viewed as a problem.

On the contrary, the British referendum reflects serious and deep-rooted problems that have long existed and which are the product of a process of integration that is corroded by contradictions, that is visibly exhausted and which is increasingly coming into conflict with the interests and just aspirations of the workers and the peoples.

The British referendum must therefore be seen as an opportunity to confront and solve the real problems of the peoples, calling into question the entire process of the European Union's capitalist integration and opening up, in Europe, a new and different course of cooperation, social progress and peace.

Any measures or manoeuvres that ignore the political significance of this referendum, that conceal themselves behind the stigmatisation of the British people, that attempt to by-pass or even subvert the will of that people, or which seek to take anti-democratic leaps forward, further concentrating powers within the EU, can only contribute to enhance the problems and contradictions which nourish the development of reactionary and far-right forces and stances, which have been growing in Europe and

against which it is necessary to fight.

Forces and stances that have had an expression in the British referendum and which feed on the consequences of the European Union's increasingly anti-democratic and anti-social policies of national oppression.

Once the process of detaching the United Kingdom from the European Union begins, the PCP underlines the need for, and importance of, measures and actions within the scope of Portuguese foreign policy which may, within the new context that has now arisen, guarantee national interests, the continuation of mutually advantageous relations of economic cooperation with the United Kingdom, and the interests of the Portuguese who work and live in that country.



The PCP stresses that the forthcoming European Council of June 28 and 29 must, as of now, lay the foundations for the convening of an inter-governmental summit, with a view to enshrining the reversibility of the Treaties, the immediate suspension of the Fiscal Compact and its repeal, as well as the repeal of the Lisbon Treaty.

In a context in which it is undeniably evident that the European Union does not correspond to the needs of the workers and the peoples, the PCP underscores the necessity of courageously confronting the constraints emanating from the process of European capitalist integration, and at the same time, of embarking on a path of cooperation, based on sovereign States with equal rights.

In particular, the PCP stresses the need and urgency of Portugal preparing to free itself from submission to the Euro, which has brought about so much harm to our country, in order to guarantee rights, jobs, production, development and sovereignty.



The PCP greets in particular the British Communists and other left-wing forces who – rejecting false dichotomies and opposing reactionary and xenophobic stances – assumed and asserted in the referendum their voice in defense of the values of democracy, labour and social rights, progress, tolerance, solidarity and cooperation between the peoples.

EU demands sale of Greece's assets

The fire-sale of Greek public assets has speeded up following the latest bail-out agreed by the Troika (European Union, European Central Bank and International Monetary Fund).

By **ALEX DAVIDSON**

At the end of May 2016 the €10.3bn latest bailout was finally released to Greece after the Syriza-ANEL (Independent Greeks) coalition government capitulated to the demands of the Troika and agreed to far-reaching and further painful measures in return for receiving financial help.

The measures include further tax rises, VAT increases and more privatisation.

VAT will rise to 24% on groceries, mobile phone calls and most consumer goods. Increases in the price of coffee, tobacco, internet use and other items were also introduced.

Pannos Kammenos, Defence Minister and leader of the right-wing Independent Greeks (ANEL) blasted the rise in VAT on small Aegean Islands – which he had just voted for – as “criminal”.

One Syriza MP resigned over the issue.

Following the draconian measures adopted by the Syriza-ANEL government and passed through the Greek Parliament, Eurozone Ministers met in Brussels to consider releasing the next bail-out money.

After an 11 hour meeting it was agreed to release the €10.3bn to cover Greece's debt repayments for the rest of the year.

EU / IMF differences

Prior to the meeting of Eurozone Finance Ministers, the International Monetary Fund (IMF) had issued a stark warning that Greece's debt was unsustainable unless there was immediate debt relief and reduction in interest rates on the current loans. ⁽¹⁾

According to the IMF forecast Greece will be burdened with debts worth 250% of GDP by 2050 if there is not a “substantial reprofiling” of the terms of the loans. According to the IMF “reprofiling” by extending repayment terms and fixing interest rates at lower levels could reduce Greece's debt burden to 100% of GDP by 2050.

The EU did not agree to the IMF position, although some countries (eg Spain) were sympathetic to the idea, believing that Greece had taken sufficient steps to justify some loosening of the shackles. However, Germany would have none of it. The German Finance Minister, Wolfgang Schauble, re-iterated his position stated in an earlier interview with Der Spiegel⁽²⁾, “Debt relief is not possible within the currency union. European treaties do not allow it.”

The differences between the EU and the IMF over Greece's debt sustainability have been a bone of contention among the creditors for some time. Eurozone officials think Greece's austerity plans could generate a regular budget surplus of 3.5% of GDP.

But IMF Managing Director Christine Lagarde (pictured) has described this scenario as “a far-fetched fantasy”. The IMF officials argue that a surplus of 1.5% is more realistic although even this would be ambitious as it would require the Greek government to meet the Troika targets and keep to extremely tight spending plans.

The IMF has acknowledged

that they would have preferred up-front debt relief as Greece's debt is unsustainable but concede that they have now compromised. Poul Thomsen, Director, IMF European Department, stated: “On the part of the IMF I believe that we have made a major concession. I might as well be open about that. We had argued that these debt relief measures should be approved upfront and we have agreed that they will be approved at the end of the program period...”⁽³⁾

The concession made by the EU is to agree that the question of debt relief will be reviewed at the end of the current programme period in 2018. Simonetta Nardini, IMF Head of Media Relations, relayed this in a conference call: “Debt relief is firmly on the agenda now. Our European partners and all the other stakeholders all now recognise that Greek debt is unsustainable, is highly unsustainable, they accept that debt relief is needed.”⁽⁴⁾

So, the deal struck in Brussels delays the issue of debt relief until 2018 when the current bail-out programme ends, but, even then there are no guarantees that it will happen.

As part of the latest bail-out the Greek government agreed to speed-up the privatisation of public assets.

Airport Privatisation

The German company, Fraport, had already acquired the fourteen most profitable Greek regional airports including those in Corfu, Crete, Kefalonia, Mykonos, Rhodes, Samos, Santorini, Thessaloniki and Zakynthos. These airports have a very high tourist traffic serv-



After the referendum on the UK's membership of the EU

ing some 19 million passengers per annum. The deal with Fraport amounted to €1.2 billion for a period of 40 years with an option of a further 10 years.

The Greek state earned €450 million every year from these airports so Fraport is getting ownership on the cheap. The deal has left the Greek government with the remaining small unprofitable airports and the income from the sale of the 14 airports now goes to Fraport.

The Greek government had established the “Hellenic Republic Asset Development Fund” (HRADF or Taiped, to use its Greek acronym) to deal with the sale of Greek public assets.

Taiped employed a “technical consultant” when tendering, choosing Lufthansa Consulting GmbH. Just under 90% of Lufthansa Consulting is owned by Lufthansa Commercial Holding, a subsidiary of Deutsche Lufthansa AG. Deutsche Lufthansa AG in turn holds just under 8.5% of the airport operator Fraport AG.

Fraport and Lufthansa Consulting are both headquartered at Frankfurt Airport.

A majority of shares in Fraport are held by the German Federal State of Hessen and the City of Frankfurt (a total of 51.35%). This means a large chunk of the revenue from the most profitable Greek airports will now go to the public budget of Germany for the next 40 years.

This was the first big sale of Greek public assets to go towards the privatisation fund of €50 billion demanded by German Finance Minister, Wolfgang Schauble. Half of this fund was due to go to the recapitalisation of the Greek banks.

Piraeus Port sold

The latest privatisation is that of the port of Piraeus (pictured). A 67% stake was sold in August 2016 by the Greek government to the Chinese Ocean Shipping Company (COSCO) for €368.5 million. COSCO is a Chinese government-owned company. The sale went ahead despite the lengthy strike by the Piraeus port workers in protest at the sale of this Greek public asset.

A subsidiary of COSCO already owns two of Piraeus port's three container terminals. Piraeus port received an annual lease of around €35 million from the COSCO subsidiary for the two container terminals. 67% of this money will now go to the majority shareholder of Piraeus port, that is, from one of COSCO's pockets into another.

This means that the Greek state will lose at least €700 million by the end of the lease.

As part of the deal COSCO have

SOLD to GERMANY

The German company, Fraport, acquired the fourteen most profitable Greek regional airports including those in: Corfu, Crete, Kefalonia, Mykonos, Rhodes, Samos, Santorini, Thessaloniki and Zakynthos.



Corfu Airport

SOLD to GERMANY



OTE Telecoms

SOLD to CHINA



Piraeus Port

SOLD to ITALY



Greek State Rail

agreed to invest in the port. However, €115 million of Euro funds were already earmarked for the expansion of the cruise ship terminal at Piraeus. This will now assist COSCO to meet their target investment agreed as part of the sale.

Railway sold

The Greek state rail company, TrainOSE, the sole operator for passenger and freight services in Greece, was sold in July 2016 to the Italian rail company "Ferrovie Dello Stato Italiane Spa" for €45 million.

The Italian rail company is a government-owned holding company and it is the third largest rail company in Europe.

The Greek state-owned Railway Rolling Stock Maintenance company has so far failed to attract a bidder but has now been put back on the market.

In October 2015 EU Transport Ministers endorsed the EU's Fourth Railway Package. The European Council followed suit, agreeing that mandatory competitive tendering should be the main way of awarding public service contracts.

The European Parliament then "rubberstamped" the EU's Fourth Railway Package, which means that train operators must have complete access to the networks of member states to operate domestic passenger services.

A number of EU member states including France, Germany and the Netherlands have used EU rail directives to build up a large portfolio of franchises across the EU, giving them a head start in the scramble to dominate the complete opening of rail markets across Europe.

These state companies have been skimming the profits in order to invest in their own networks and strengthen their market position.

The new EU rules demand that railway companies have access to all EU domestic passenger rail markets from January 1st 2019 in time for railway timetables starting on December 14th 2020.

The British Labour MP Kelvin Hopkins warned that the core intention of the Fourth Railway Package was designed to visit the mistakes made in Britain on the rest of the EU. He said, "railway privatisation in the UK was a laboratory experiment that was designed in the EU."

He added that "It has been an expensive failure ... Separating trains from track and privatising train companies has been massively expensive to taxpayers and passengers."⁽⁵⁾

So, Greek railways may have been bought by the Italian state railway but it will be fully privatised by 2019.

Deutsche Telekom buys Greek Telekom

Deutsche Telekom bought into Hellenic Telekom (OTE) in 2009 in a privatisation deal as part of an earlier Greek bailout. In 2011 Deutsche Telekom took a 40% stake becoming the largest shareholder leaving the Greek state with 10% of the shares.

The other shares are in the hands of Institutional investors and Greek oligarchs. In 2015 it made profits of €280.8 million.

The British Labour MP Kelvin Hopkins warned, "railway privatisation in the UK was a laboratory experiment that was designed in the EU."

He added that "It has been an expensive failure ...

Separating trains from track and privatising train companies has been massively expensive to taxpayers and passengers."⁽⁵⁾

The company dispensed with the use of the name, OTE, and adopted Cosmote as a uniform commercial brand. It chose not to adopt the Deutsche Telekom brand under which name it operates in Central and Eastern European operations. OTE (Cosmote) owns 54% Telekom Rumania.

Deutsche Telekom has 225,243 employees worldwide and it operates in 50 countries. The Federal republic of Germany owns 31.7% of its shares. Yet again the sale of what was a Greek public asset is now effectively in the hands of Germany.

Other Privatisations

Hellenic Petroleum has three oil refineries in Greece and one in Macedonia. It is the leading oil refiner in Greece and supplies 85% of Macedonia's oil needs. This public asset is now up for sale.

In addition, most other Greek public assets are being put in the shop window and will be sold at bargain basement prices.

These include a catalogue of beaches, islands, boutique hotels, golf courses, Olympic venues, historic properties, the Athens Water Supply and Sewerage, the State Lotteries and Hellenic Post.

More than 500 islands and large tracts of Greece's 16,000 kilometre-long coastline are on the list.

More than 70,000 pieces of real estate are to be transferred to The Hellenic Re-

public Asset and Development Company in what will amount to the biggest privatisation programme on the continent of Europe. The full catalogue is readily accessible on the HRADF website: <https://www.hradf.com/en/portfolio>

Privatisation super-fund

Another aspect of the latest bail-out agreement was that the Greek government should establish a new privatisation super-fund, which will claim ownership of all assets of the Greek state including the 70,000 real estate properties, all major state enterprises like utility companies (electricity, water) and public transport (buses, metro), state shares in banks and the assets currently held by Taiped. The new privatisation super-fund is to be called "The Hellenic Company for Assets and Participation" (HCAP).

HCAP will have a 5 member Supervisory Board. 3 members will be appointed by the Greek State with the prior approval of the EU Commission and the European Stability Mechanism (ESM).

Two representatives from the European Stability Mechanism will sit on the Supervisory Board appointed by the EU Commission and ESM. One of the ESM members will be Chairman of the Board. Decisions will be taken with the consent of 4 members of the Board so, the consent of one of the ESM members will always be required.

This setting-up of this new super-fund was the fulfilment of last year's idea of German Finance Minister, Wolfgang Schauble, who had always argued for €50 billion of "valuable" Greek assets to be placed in a special fund beyond the reach of the Greek government. The super-fund has been given a lifespan of at least 99 years.

The one thing missing from the Greek privatisation agency is a notice outside its office saying, 'A nation for sale - everything must go.'

FOOTNOTES

1. IMF Country Report No 16/130, 23 May 2016 - *Greece: Preliminary Debt Sustainability Analysis Updated Estimates and Further Considerations*.
2. *Der Spiegel*, 18 July 2015.
3. IMF Transcript: *Excerpt from a Eurogroup Press Conference on Greece*, 25 May 2016.
4. IMF Transcript of a Conference Call on Greece, Simonetta Nardini, IMF Head of Media Relations, 25 May 2016.
5. Hopkins, K., quoted in *EU Seals Mass Privatisation*, Trade Unionists Against EU (TUAEU), 8 July 2016.

Inquiry into US and UK illegal war in Iraq

The Chilcot Report, 2.6 million words long, costing over £10 million, taking seven years, has already disappeared from the news. Sir John Chilcot's statement on 6th July, the day of the report's publication, seemed startlingly frank, especially to the many people who had been prepared for a whitewash.

By **PAT TURNBULL**

He described the 2003 invasion of Iraq as the first time since the Second World War that the United Kingdom had taken part in 'an opposed invasion and full-scale occupation of a sovereign state', and continued: 'We have concluded that the UK chose to join the invasion of Iraq before the peaceful options for disarmament had been exhausted. Military action at the time was not a last resort.'

The action was undertaken by the US and the UK without United Nations Security Council approval.

Sir John said: 'In the absence of a majority in support of military action, we consider that the UK was, in fact, undermining the Security Council's authority.'

He added: '... the circumstances in which it was

decided that there was a legal basis for UK military action were far from satisfactory ... The judgments about Iraq's capabilities ... were presented with a certainty that was not justified..

'Mr Blair told the Inquiry that the difficulties encountered in Iraq after the invasion could not have been known in advance. We do not agree that hindsight is required ... That brings me to the Government's failure to achieve the objectives it had set itself in Iraq ... More than 200 British citizens died as a result of the conflict in Iraq. Many more were injured...

'The invasion and subsequent instability in Iraq had, by July 2009, also resulted in the deaths of at least one hundred and fifty thousand Iraqis – and



probably many more – most of them civilians. More than a million people were displaced. The people of Iraq have suffered greatly...

'In March 2003: There was no imminent threat from Saddam Hussain.

'The strategy of containment could have been adapted and continued for some time.

'The majority of the Security Council supported continuing UN inspections and monitoring.'

But now the sting in the tail: 'Military intervention elsewhere may be required in the future. A vital purpose of the Inquiry is to identify what lessons should be learned from experience in Iraq.'

Yes, war is still on the agenda for the British ruling class.

Theresa May, the newly appointed Prime Minister, could already be bold enough to answer "Yes" in the debate in the House of Commons on Trident on 18th July to the question whether she is prepared to cause the death of hundreds of thousands of innocent human beings.

War is still on the agenda – only next time it will be fought better. Lessons will be learned and according to David Cameron some already have been.

He established the National Security Council, with a breadth of expertise and where everyone is free to speak their mind, which would have discussions, as he put it 'if we take the difficult decision to intervene in other countries.'

He promised, 'we will still stand with our American allies when security interests are threatened. We can still rely on our intelligence agencies. It would be wrong to conclude our military are not capable of intervening successfully round the world. We should not conclude it is always wrong to intervene. There are

times when it is right and necessary, for example against Daish in Iraq and Syria today.'

So it bears emphasising what a disaster the Iraq invasion and occupation was, and the Chilcot Report contains plenty of evidence. The following paragraph references are to the report's 150-page Executive Summary.

The UK was prepared to invade and occupy four provinces of Iraq, referred to as MND(SE), but was not prepared to take on the subsequent responsibilities, for example, to restore infrastructure already undermined by more than a decade of crippling sanctions and now destroyed by war. It was not ready to administer a state 'where the upper echelons of a regime that had been in power since 1968 had been abruptly removed'.

As the Executive Summary says in Paragraph 593: 'Throughout the planning process, the UK assumed that the

US would be responsible for preparing the post-conflict plan, that post-conflict activity would be authorised by the UN Security Council, that agreement would be reached on a significant post-conflict role for the UN and that international partners would step forward to share the post-conflict burden.'

The sheer disregard for the population is demonstrated in Paragraph 642: 'Faced with widespread looting after the invasion, and without instructions, UK commanders had to make their own judgments what to do. Brigadier Graham Binns, commanding the 7 Armoured Brigade which had taken Basra City, told the Inquiry that he had concluded that "the best way to stop looting was just to get to the point where there was nothing left to loot".' Paragraph 644: 'The impact of looting was felt primarily by the Iraqi population rather than by Coalition Forces...'

Paragraph 682 describes 'Food shortages and the failure of essential services such as the supply of electricity and water, plus lack of progress in the political process' and, not surprisingly, 'attacks on UK forces in Majar al-Kabir in Maysan Province on 22 and 24 June'.

***The Government's decision to take part in military action in Iraq was not affected by consideration of the potential financial cost to the UK.**

Paragraph 820 on Resources gives the picture:

'*The direct cost of the conflict in Iraq was at least £9.2 bn (the equivalent of £11.83bn in 2016). In total, 89 percent of that was spent on military operations.'

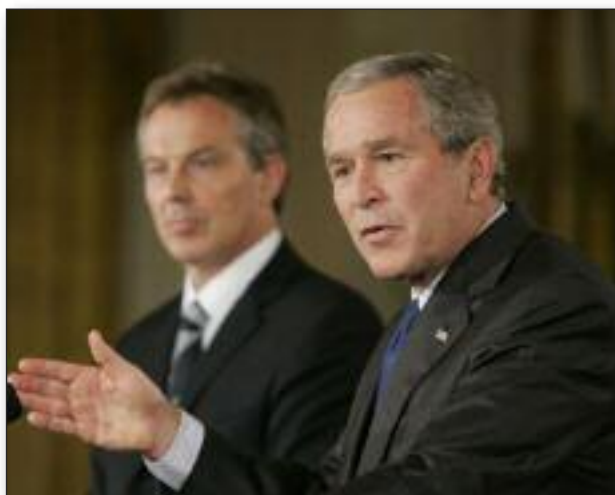
'*The Government's decision to take part in military action in Iraq was not affected by consideration of the potential financial cost to the UK.'

'*The controls imposed by the Treasury on the MOD's budget in September 2003 did not constrain the UK military's ability to conduct operations in Iraq...'

'*...Some high-priority civilian activities were funded late or only in part.'

The UK was instead concentrating on withdrawal from Iraq not long after the invasion.

One reason is given in Paragraph 720: 'In June 2004, the UK had made a public commitment to deploy HQ ARRC to



**Partners in war crimes
Tony Blair and George W Bush**

Afghanistan in 2006, based on a recommendation from the Chiefs of Staff and Mr Hoon, and with Mr Straw's support. HQ ARRC was a NATO asset for which the UK was the lead nation and provided 60 percent of its staff.'

Paragraph 721: 'It appears that senior members of the Armed Forces reached the view, throughout 2004 and 2005, that little more would be achieved in MND(SE) and that it would make more sense to concentrate military effort on Afghanistan where it might have greater effect.'

No wonder therefore that (Paragraph 757) 'After visiting Iraq in early May [2006], Air Chief Marshal Sir Jock Stirrup, Chief of Defence Staff ... identified the risk that UK withdrawal from Basra would be seen as a "strategic failure" and suggested that "astute conditioning of the UK public may be necessary" to avoid that.'

Paragraph 792: 'The Iraq of 2009 certainly did not meet the UK's objectives as described in January 2003: it fell far short of strategic success ... deep sectarian divisions threatened both stability and unity ... exacerbated [by the Coalition's] decisions on de-Ba'athification and on demobilisation of the Iraqi Army and were not addressed by an effective programme of reconciliation.'

Paragraph 796: 'By 2009, it had been demonstrated that some elements of the UK's 2003 objectives for Iraq were misjudged. No evidence had been identified that Iraq possessed weapons of mass destruction, with which it might threaten its neighbours and the international community more widely. But in the years between 2003 and 2009, events in Iraq had undermined regional security, including by allowing Al Qaeda space in

which to operate and unsecured borders across which its members might move.'

In view of this damning conclusion, some humility might be expected. But no: new Foreign Secretary Boris Johnson is already stating that more regime change, the removal of President Bashar Al-Assad, is the necessary precondition to ending the civil war in Syria.

Then there are the questions the Chilcot Report does not go into: what right do two of the most highly armed nations in the world - both with nuclear forces, both having engaged in recent decades in aggressive military actions against nations far from their own shores - have to impose on any other nation weapons inspections,

economic sanctions, no-fly zones and military attacks, giving themselves the right to tell another nation what type of armaments it is allowed to possess and invade and occupy it on those grounds?

The Chilcot Report, with its detailed analysis and particularly its transcripts and even filmed interviews, gives people the unusual opportunity to have an insight into the business of prominent representatives of all areas of the British state.

The report's conclusion, that the war was unjustified, offers the added interest of seeing different departments and different individuals vying to absolve themselves of responsibility. One of the most chilling aspects of the report, however, is how glibly war is included in all calculations.

***The direct cost of the conflict in Iraq was at least £9.2 bn (the equivalent of £11.83bn in 2016). In total, 89% of that was spent on military operations.**

Jeremy Corbyn in his speech in Parliament in the debate on Chilcot, described the invasion as an act of military aggression, a catastrophe, a decision based on flawed intelligence.

But he also pointed to all the people who got it right, the one and a half million in Britain, the tens of millions across the world who demonstrated to oppose the war.

All of these people and many more are needed now to prevent another, worse war than the Iraq War of 2003.

Syria: US increases support for Al Qaeda

The US is raising the stakes in Syria as the Syrian army continues to push back IS and other terrorist forces.

By **SIMON KORNER**

The fragile February ceasefire in Syria is in danger of collapse as the battle for Aleppo intensifies.

The deal between Russia and the US has been undermined by the massive US arming of Al Nusra, the Al Qaeda organisation in Syria, under cover of the ceasefire that saw Russia withdraw most of its forces.

President Assad, in an interview with NBC, accused the US of “managing” the terrorist groups, which also receive backing from regional powers Turkey, Qatar and Saudi Arabia.

Former US defense intelligence officer Pat Lang said: “The US-supported jihadis associated with Al Nusra... merely ‘pocketed’ the truce as an opportunity to re-fit, re-supply and re-orientation forces.”

Russian Foreign Minister, Sergei Lavrov believes that the Americans “want to keep Al Nusra in some form and later use it to overthrow” the Assad regime.

Al Nusra, which coheres all the Islamist groups in Aleppo, has received 3,000 tons of US weapons via its allied militia Ahrah ash-Sham – which is part of the Saudi-led High Negotiating Com-

mittee and protected by the current ceasefire, essentially providing cover for Al Qaeda.

In their attempt to prevent the Syrian army from retaking Aleppo, Syria’s biggest city, Al Nusra/Ahrah ash-Sham are deliberately committing atrocities against civilians, a fact under-reported in the western media.

During the initial ceasefire talks, Kerry asked for Al Nusra to be exempt from Russian airstrikes – along with so-called moderate rebels – claiming they were fighting IS.

He then requested that the ‘moderates’ be given time to separate themselves from Al Nusra, an impossible request as the groups are not distinct entities.

The western media has promoted Kerry’s dissimulation, with *Reuters* and others regularly referring to Al Nusra as ‘rebels’ rather than Al Qaeda.

After having spent \$384 million on the creation of a new rebel army in Syria – an admission that all the previous claims of large-scale ‘moderate’ opposition forces were spurious – the US only managed to produce 150 trained fighters.

That failure is now being replicated in southern Syria, where the US has been

arming and training the New Syrian Army (NSA), a Sunni militia allied to the feeble Free Syrian Army.

The new force has already suffered severe defeats – in late June attacking the IS stronghold of Al-Bukamal on the Iraqi border with 200-300 men, and in early July again attacking IS near the Syria-Jordan border at Bir Mahrutha.

After having spent \$384 million on the creation of a new rebel army in Syria – an admission that all the previous claims of large-scale ‘moderate’ opposition forces were spurious – the US only managed to produce 150 trained fighters.

That failure is now being replicated in southern Syria, where the US has been arming and training the New Syrian Army (NSA), a Sunni militia allied to the feeble Free Syrian Army.

As the Syrian army continues to gain ground, frustrated hawks in the US are calling for intensified military action.

In June, a ‘dissent’ memo by 51 officials in the State department urged Obama to use ‘military force as an option’.

Ash Carter, the US Defense Secretary, has said he wants to supply ground-to-air missiles to the rebels, so they can shoot down Russian fighter planes – a dangerous escalation.

So far, the US strategy of toppling Assad is failing, but the dangers of a fragmented Syria, riven by sectarianism, remain high – especially with the US build-up of the northern Syrian Kurdish enclave, Rojava, a territory that would provide a secure pipeline route for Qatari and Saudi oil into Turkey.

The struggle continues to re-establish a unitary secular Syrian state in control of its own destiny.



May 2013: US aid being airlifted to so-called ‘moderate’ opposition forces in Syria.



Ash Carter - US Defense Secretary

French workers fight new labour laws

One of the biggest labour struggles carried out in decades by French workers continued through June, as the country hosted the Euro 2016 soccer tournament.

By **JEAN LUTTE**

Mass strikes and protests erupted in May against the “El Khomri law,” shutting down key sections of the economy. Named for the Labour Minister Myriam El Khomri, the law allows management to slash overtime pay, extend working hours, and fire employees with less restrictions.

The Socialist party government argues that the attacks on labour rights and conditions are required by the European Union, highlighting a key reason for working class opposition to the EU in many countries.

The movement began several months ago, with mass occupations of the Place de la République in Paris and other city squares throughout France to protest against the so-called “labour reforms.”

As the month of June began, CGT union federation CGT leader Philippe Martinez warned the government to withdraw its notorious legislation, and striking workers crippled the French railway network. Over half the country’s regional train services were cancelled as well as 40 per cent of journeys on the high-speed TGV network.

Three of the four unions representing staff working for the SNCF national rail authority called open-ended walkouts.

The rail strikes were accompanied by walkouts in other sectors including oil refineries, leaving an estimated 20 per cent of French service stations dry. Aviation workers announced plans to walk out, putting more pressure on the government.

Prime Minister Manuel Valls and the labour minister called on the CGT to propose a solution. But Martinez said that negotiating a compromise was dependent on the withdrawal of the law, which Valls forced through parliament without a vote by invoking a constitutional mechanism reserved for emergencies.

“There are articles which pose prob-

lems and that’s why we must remove the law and renegotiate,” Martinez said. He fingered the law’s article two as the “backbone” of the legislation and demanded its removal.

Considered to be “the philosophy of the Act” and therefore indispensable, Article 2 establishes the primacy of company-level bargaining as opposed to sectoral and nationally negotiated agreements.



On June 2, some 120,000 homes in western France were hit by a blackout during strikes at 16 of the country’s 19 nuclear power plants. CGT members voted for a one-day walkout at the power stations, which generate most of France’s electricity. Nuclear plants are required to maintain a minimal level of production during strikes for security reasons.

But workers in Brittany cut the electricity supply from a power station in Saint-Malo-de-Guersac, prompting the blackouts for much of the day.

Meanwhile, striking rail workers blocked tracks at the Gare de Lyon station in eastern Paris ahead of a protest

march through the capital. Around half of all long-distance services were cancelled and some Paris public transport workers also walked out in solidarity.

The struggle continued over the following days, against the backdrop of final preparations for the Euro 2016 tournament. Transport Minister Alain Vidalies vowed to use scab labour after rail workers threatened to walk out on the line serving the Stade de France in St Denis outside Paris, where France played Romania in the June 9 opening match.

On the same day, Air France pilots called a four-day strike, just as an estimated two million fans were set to arrive in the country.

In Paris, Mayor Anne Hidalgo brought in 80 privately operated waste disposal crews to clear up piles of stinking rubbish which had accumulated during a 12-day refuse collectors’ strike in the capital.

Sports Minister Thierry Braillard complained that disrupting the tournament was “just not normal.” But train driver Berenger Cernon, secretary of the CGT union federation’s branch at the Gare de Lyon in Paris, was defiant, saying: “We did not decide that the Euros will take place on this date. There is a social movement going on now. The re-organisation [of labour] continues, the labour law continues.”

President Francois Hollande said he would take “all necessary measures” to make sure the tournament went smoothly. “Public services will be provided,” he vowed. “The whole of Europe will be watching.”

“Let us be clear, the government has no intention of withdrawing this law, or of unravelling it,” added El Khomri.

While the tournament went ahead, thousands of demonstrators rallied in the streets of Paris on June 14, mobilised by seven trade unions and student organisations.

Rail workers and taxi drivers were on strike, and 20 per cent of Air France flights were cancelled when pilots walked out in a separate dispute. At the Eiffel Tower, an electronic board read: “Monument closed - national strike.”

Tax injustice and offshore finance

At the beginning of April 2016 the International Consortium of Investigative Journalists (ICIJ) revealed that for more than a year they had been analysing a ‘treasure trove’ of 11.5 million leaked documents from a Panamanian firm which had facilitated money laundering, tax evasion, sanctions busting and other financial chicanery on a massive scale.

By **PAUL SUTTON**

The records covered activity from 1977 to the end of 2015 and listed more than 214,000 entities including companies, foundations and trusts seeking to financially benefit from secrecy on tax affairs, frequently through the creation of shell companies, many of which were registered in the British Virgin Islands (BVI), an offshore financial centre in the Caribbean and an overseas territory of the United Kingdom.

In its initial release of information the ICIJ identified 12 current or former heads of state and government as financial beneficiaries along with more than 60 relatives and associates of heads of state and other politicians. Within a week the controversy had also ensnared former Prime Minister, David Cameron.

The Panama Papers revealed that Cameron’s late father, a wealthy stockbroker, had established a company, Blairmore Holdings, which Mossack Fonseca, the Panamanian company at the centre of the leaks, had established for him.

The company, set up in 1982, was administered through intermediaries in the Bahamas and paid no tax in the United Kingdom on its profits.

It is now registered in Ireland, which has a lower corporation tax rate than the UK, and was valued at over £25 million.

When details of this company were first revealed an official in Downing Street claimed that this was “a private matter”.

The following day Cameron was directly asked whether he had “derived any benefit in the past” or would do so in the future from Blairmore Holdings.

His reply, that he did not have any money in offshore trusts or funds, was

judged as “evasive” (the Guardian, 5 April 2016) since he did not reveal whether he had benefitted in the past or



**Former Prime Minister,
David Cameron MP**

other members of his family had done so or continued to do so.

As a result press speculation continued along with calls for more transparency. Finally after further prevarication Cameron stated he would release his tax returns.

He provided a summary on April 10. This revealed that he had in the past benefitted from Blairmore Holdings, selling his and his wife’s holding in it in 2010 for £31,000 making a non-taxed profit of £19,000.

Other sources of income were listed for six years from 2009/10 to 2014/15.

In the last year this amounted to £200,307 derived from his salary as prime minister, rental income, expenses given to him by the Conservative party and interest on deposits (Sunday Times, April 10 2016).

He also listed a legacy from his father of £300,000 and a £200,000 gift from his mother. His father’s fortune was estimated at £10 million in the year before he died and his will detailed UK-held assets valued at £2.74 million.

As Adam Boulton, a columnist on the *Sunday Times* remarked that same day: “So now we have confirmation of what we knew already and has never been denied. David Cameron is a wealthy man, or ‘rich bastard’ as one commentator put it nonchalantly, from a wealthy family”.

The Swiss Papers

While the Panama Papers have proved to be the largest leak so far on the secret world of offshore finance it has not been the first.

Nine years ago the existence of another set of documents was revealed. They had been leaked to the French authorities and involved the activities of HSBC’s private Swiss bank in facilitating tax evasion. The UK obtained the details in 2010 which identified 3,600 UK individuals, many who enjoyed special tax privileges via non-domicile status.

In an appearance before the House of Commons Public Accounts Committee on 12 February 2015, Lin Homer, chief executive of HMRC, was accused by Margaret Hodge, the chairwoman, of a “pathetic response” to the material contained in the HSBC leak which had been on HMRC files for five years.

Only one third of cases had been seriously pursued and only one person had been successfully prosecuted.

Hodge commented that it sent “a terrible message to British taxpayers”, conveying the impression that tax evaders could hide money abroad with no real risk of prosecution (BBC News, 12 February 2015).

Attempts at the same time to bring Lord Green, a Conservative peer and

former trade minister from 2010-2013, before two committees of the House of Commons to face questions on his role in HSBC, were blocked by Conservative MPs.

Lord Green had been chief executive and then chairman of HSBC from 2003 to 2010. He joined the board in 1998 “when he was given responsibility for overseeing private banking” and “the Geneva subsidiary, which routinely allowed clients to withdraw ‘bricks’ of cash, held accounts for drug dealers and colluded with wealthy clients to conceal undeclared ‘black accounts’, was created while Green was in charge” (the *Guardian*, 9 March 2015).

The current HSBC chief executive, Stuart Gulliver, however was questioned. The files revealed that he had sheltered £5 million at a Panamanian firm with his Swiss HSBC account. They also showed that he was domiciled in Hong Kong for tax purposes despite being a UK resident.

He need not have worried too much though as in January this year the Financial Conduct Authority, which regulates finance in the UK, stated that it would not be pursuing HSBC for facilitating tax evasion as revealed in the Swiss Papers.

Coincidentally and shortly after HSBC confirmed that it would be maintaining its headquarters in London and not moving them to Hong Kong as had been rumoured.

These examples show that David Cameron was not alone or even anywhere near the pinnacle of so-called high net worth individuals who routinely benefit from the established system of offshore finance tolerated by the tax authorities and Conservative politicians in the UK. These people remain shadowy and elusive, networked into the system, and guarded by a politically crafted secrecy that is only occasionally breached.

The Luxembourg Papers

They are joined by many of the world’s largest multinational corporations who benefit from aggressive tax avoidance schemes funnelled through Luxembourg, a tax haven, and designed to drastically minimise tax on their global profits.

These have saved them billions of dollars in tax and delivered an effective tax rate in some instances of only one per cent. Amazon’s tax arrangements in Luxembourg allowed them to have an average tax rate of 5.3% on overseas income 2007-11.

An investigation of these activities has been carried out by the ICIJ using files

leaked to them in 2014 by employees of major accounting firm Price Waterhouse Coopers (PWC), who advised clients on such tax minimising strategies.

The key findings as reported on the ICIJ website (www.icij.org) reveal that some 340 companies have put in place secret deals with Luxembourg to drastically reduce their tax.

Among them were Pepsi, IKEA, and Deutsche Bank to which a later set of leaked papers added Walt Disney and Koch Industries among others.

As part of this process PWC obtained between 2002-10 at least 548 tax rulings for multinational clients in Luxembourg featuring complex financial structures that delivered huge tax reductions.

In 2013 it had no less than 2,300 employees in Luxembourg and planned to add 600 more in 2014. The three other major international accountancy firms of Ernst and Young, Deloitte and KPMG have also been involved in securing such deals.

Much of this activity took place when Jean-Claude Juncker was prime minister of Luxembourg. He is now president of the European Commission.

In his new role he promised in a speech in July 2014 that he would “fight tax evasion and tax dumping... We will try to put some morality, some ethics into the European tax landscape”.

But as the ICIJ also observed he had recently spoken on German television where he stated: “No one has ever been able to make a convincing and thorough case to me that Luxembourg is a tax haven. Luxembourg employs tax rules that are in full accordance with European law”.

The Failure of Regulation

This comment precisely exposes the problems of regulation of offshore activity, much of which remains on the borderline of legality and is inadequate to the task.

In 2008-9 the G8 and then the G20 committed to develop ways to combat tax evasion and fraud. The Organisation of Economic Cooperation and Development (OECD) were charged with developing measures to facilitate this goal. But as the head of tax policy in the OECD reported in an interview with *Le Monde* (7 November 2014), not much progress had been made. In his opinion: “Change to the international tax regime will only happen with strong political support.

It is simply not acceptable that large multinationals can take advantage of the weaknesses in current rules to reduce their tax burden when at the same time other taxpayers face growing burdens they cannot avoid”.

Such political will has not been forthcoming. While both Cameron and Osborne have both stated on many occasions that they would crack down on tax evasion and aggressive tax avoidance the reality has been rather different.

Cameron, for example, was recently shown to have personally intervened to try to prevent EU transparency rules being applied to offshore tax trusts.

In a letter to then European Council president Herman von Rompuy in 2013 Cameron argued for trusts to be treated differently from companies, seeking for them to be exempted from entry on a register of beneficial interest which was being developed to force companies to reveal who ultimately gains financially from them (Independent, 7 April 2016).

George Osborne (pictured) was accused of making a ‘sweetheart’ deal with Google that raised £130 million in back tax when, in line with action being taken in France and Italy, much more could have been claimed.



Former Chancellor of the Exchequer, George Osborne MP

The deal covered a decade of underpayment of tax in the UK but represented an effective tax rate of only 3% when corporation tax was chargeable at 20% (the *Guardian*, 26 January 2016).

This generosity has now been further compounded by a policy paper drawn up by HMRC and released in March.

This allows a non-resident company that sells over the internet in the UK to book the revenue it earns in the UK outside the UK and so avoid tax on profits.

Using such measures Google in 2012 had paid only £11.6 million in corpora-

tion tax despite generating £3.4 billion of business in the UK. In 2015 Microsoft paid only £16.9 million in tax on £2.3 billion earned in the UK (*Sunday Times*, 19 June 2016). These practices will now continue despite Osborne introducing a so called diverted profits tax in April 2016 designed to discourage such activity.

These and other examples show that taxation policy by multinationals and high net worth individuals is in essence 'voluntary'.

In consequence inequality grows and the offshore sector grows ever larger. The wealth of the richest 62 individuals, estimated in 2015 to be the same as the 3.6 billion who constitute the poorest half of the world's population, rose by more than a trillion dollars since 2010 while the wealth of the poorest half fell by the same amount in the same period (www.oxfam.org.uk).

And offshore centres are now said to contain between \$21-32 trillion of private financial wealth, with an estimate that individuals from the UK held at least \$284 billion offshore. The consequent loss in UK tax revenues is more than \$8 billion a year.

Losses in revenue from multinationals escaping tax have recently been estimated at \$600 billion globally, with developing countries hit the hardest (*ibid*).

The City of London

A revealing statistic by Channel 4 News stated that half the homes in Grosvenor Crescent, the most expensive street in London, were registered to tax havens. Their owners no doubt benefitted from the services of the City of London just over a mile away.

It has been the major player in developing, marketing, benefitting from and politically protecting offshore financial centres in the British Overseas Territories and the Crown Dependencies.

The details of its involvement were set out in *The Socialist Correspondent* (No.17, February 2013). This likened the City of London to a 'spider's web': "a layered hub-and-spoke array of tax havens centred on the City of London which gives the City of London a truly global reach".

Together the City and these various territories account for nearly 25% of the global market in offshore financial services. At the heart of these arrangements is financial secrecy.

The Tax Justice Network (TJN), the leading global authority on tax evasion, recently constructed a Financial Secrecy



The City of London, viewed from London City Hall

Recent UK governments have bent over backwards to preserve and protect the City of London. All have been complicit, New Labour as much as Conservative. And this trend looks set to continue given the core role the City plays in global finance capital.

Index (FSI) ranking over one hundred countries and territories according to their secrecy and the scale of their offshore activities.

Added together, the City plus the Overseas Territories plus the Crown Dependencies, stand at the top of the FSI by a large margin, with Switzerland in second place (www.financialsecrecyindex.com).

TJN comments: "In identifying the most important providers of international financial secrecy, the FSI reveals that traditional stereotypes of tax havens are misconceived. The world's most important providers of financial secrecy harbouring looted assets are mostly not small, palm-fringed islands as many suppose, but some of the world's biggest and wealthiest countries. Rich OECD member countries and their satellites are the main recipients of or conduits for these illicit flows".

Of course, there are Caribbean palm-fringed islands in the UK case but more importantly there is the City of London. Without action against it any attempt to weaken or end offshore finance will fail.

OXFAM recognises this and sets out recommendations for action in a recent detailed study *Ending the Era of Tax Havens* (14 March 2016). They specify action the UK government should take

unilaterally.

A few very modest steps have been taken or promised to deliver corporate transparency, but as OXFAM also notes: "at the same time, the UK has taken a number of unwelcome steps – some with potentially deep costs for the world's poorest countries".

This is in no way surprising. Recent UK governments have bent over backwards to preserve and protect the City of London. All have been complicit, New Labour as much as Conservative.

And this trend looks set to continue given the core role the City plays in global finance capital.

It gives it a win-win scenario whatever happens. Brexit is simply the most recent example. Although it is true that most multinational banks and finance corporations favoured a vote to remain in the European Union, not all did, especially some large hedge funds. Additionally, some of the most prominent leaders of the Leave campaign have close links to the City and saw it as an opportunity to reduce EU regulation on finance and go further down the road of a low tax and low regulation economy once the UK was out of the EU.

In the view of the TJN: "The UK already suffers a 'finance curse' from its disproportionate financial sector, which exerts unhealthy political influence and needlessly exacerbates inequalities across the country. An isolated post-Brexit UK would be much less able to resist the tax haven race to the bottom – and that would likely unbalance the economy further, making it even more reliant on this highly volatile and footloose sector, driving inequality even higher" (www.taxjustice.net).

The dominance of the City of London distorts the UK economy and underpins global finance capital. It is not easy to see how it can be cut down to size short of the end of global finance capitalism itself.

In the meantime a better understanding of the City of London is vital to an understanding of the dominance of finance capital today.

The OXFAM report recommended that the UK government "should mandate an independent, fully public review of the functioning and operations of the City of London Corporation" (OXFAM, 14 March 2016).

This is a start and must be supported in the interests of the vast majority in the UK and beyond for whom the City of London is not the bonus it is so often touted to be but a burden and a brake on progress.

The Cuban Five heroes visit Britain

In 1998 five Cuban anti-terrorist agents were jailed by the United States and given sentences ranging from 15 years to double life. (See *The Socialist Correspondent* issues 21 & 22.)

By **FRIEDA PARK**

Two served out their sentences before being released and the others were released after 16 years in US jails. That they are all now free men and back in Cuba is thanks to the massive international campaign for their release.

In July this year two of the five, Rene Gonzalez and Gerardo Hernandez, along with their families were at last able to visit Britain.

But not without a fight. A visa for Rene was originally turned down in 2014 when he was scheduled to give evidence to the International Commission on the Cuban 5 in London.

This time the then Home Secretary, Theresa May, granted visas only two days before the group was due to travel. This was conceded only after intense lobbying and the threat of legal action.

In the end these obstructive tactics

made no difference to the programme of events they attended and the wonderful reception they received everywhere they went.

Kicking off the tour at the Durham Miners Gala, Gerardo said: "Your solidarity has never been crushed and that is a lesson for Cuba and the world"

Coinciding with the attempted coup against Jeremy Corbyn, the theme of the tour was solidarity and socialism. Corbyn was and is a consistent campaigner for the 5, his intervention helping Rene and Gerardo get their visas.

He appeared with them on platforms during the tour, speaking directly about their struggle and the campaign for their freedom at a reception in parliament.

There were also packed out rallies in: Glasgow, Manchester, London and Cardiff, a standing ovation at the Unite

policy conference and finishing with an appearance at the Tolpuddle Martyrs Festival.

Throughout Rene and Gerardo emphasised the importance of the campaign for their release and for the thousands of individual messages of support they received while enduring inhumane conditions in US jails.

As well as celebrating their release and the power of solidarity, for us here in Britain the visit was also a great opportunity to renew campaigning for an end to the US blockade of Cuba and its occupation of Guantanamo Bay.

As Baroness Angela Smith Leader of the Opposition in the House of Lords said: "The fact that the Five are free and here today shows that when we organise, when we campaign and when we fight together - we can win."

Read more about the tour and view pictures and video on the Cuba Solidarity Campaign website. <http://www.cuba-solidarity.org.uk/news/article/3108/here-at-last-miami-five-freedom-tour-reports-pictures-and-videos>

Why did Cuba believe it was necessary to send agents to the USA?

Why did Cuba believe it was necessary to send agents to the US to infiltrate and spy on terrorist groups based there?

Firstly, since the victory of the revolution in 1959, Cuba has suffered constant threats and terrorist attacks from groups based in Miami. These attacks have claimed the lives of nearly 3500 people.

Secondly, despite Cuban efforts to collaborate, the US authorities were failing to do anything about the terrorist threat. The Cubans felt then that they had no alternative but to send agents to gather information on the activities of these groups to prevent further loss of life.

None of the information gathered was secret and none of it related to US national security. The Cuban agents were not involved in planning any acts of violence. In fact the Cuban authorities shared information uncovered by the 5 with their US counterparts.

However, when it became politically expedient for the US to make an example of the 5 they were arrested and subjected

to appalling treatment and a monumental miscarriage of justice.

These abuses included being held in solitary confinement for 17 months, being denied access to their lawyers and to vital evidence. They were tried in Miami where they could not get a fair trial and denied rights of appeal. Two of their wives were denied visiting rights. They all received extremely lengthy sentences.

There was a massive international campaign, sustained over all the years of the 5's imprisonment, to free them and right this miscarriage of justice.

Rene Gonzalez and Fernando González both served out their full sentences before being released and returning to Cuba. Then finally the pressure paid off.

In the context of Obama's rapprochement with Cuba the release of the remaining three was agreed and last year Gerardo Hernández, Ramón Labañino and Antonio Guerrero returned to Cuba.

The Cuban 5: Gerardo Hernández, Ramón Labañino, Antonio Guerrero, Rene Gonzalez and Fernando González.

Hidden History of Cuban Revolution

A HIDDEN HISTORY OF THE CUBAN REVOLUTION

By Steve Cushion

Published by Monthly Review Press, NY.

Review by GINA NICHOLSON

“The Cuban Revolution (1953–59) was an armed revolt conducted by Fidel Castro's 26th of July Movement and its allies against the U.S.-backed authoritarian government of Cuban President Fulgencio Batista.” - Wikipedia

The above is one view of the Cuban revolution which Steve Cushion has sought in his book *A Hidden History of the Cuban Revolution* to supplement. He writes of ‘two divergent views of the Cuban insurrection: that of the heroic guerrilla struggle ... and that of the urban middle class underground resistance ...’

The story he tells is different in emphasis from both. He recounts the events leading up to the Cuban Revolution of 1959 with particular attention to the struggle of the working class.

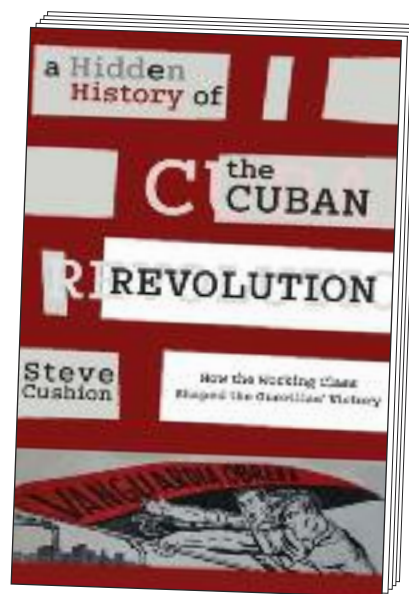
He has examined thousands of documents, largely leaflets and newspaper reports produced during the years 1952-9, and interviewed people who had been involved in the struggles of that time.

His conclusion is that a revolutionary working class developed and supplied an essential dimension to the struggle to overthrow Batista's government.

The crisis in Cuba in the early 1950s arose essentially because of the fall in the price of sugar worldwide. Sugar was not simply Cuba's main product (Cuba produced 18% of the world's sugar at that time); many other parts of the economy depended upon it.

Attempts were made to control the price but they failed; added to this the demand for Cuban sugar was reduced because the United States and other countries produced more of their own.

Therefore the Cuban sugar-producing firms, faced with falling profits, set about laying off workers and reducing the wages of those who were left; and increasing productivity. Cushion shows that the resulting industrial battles pro-



duced a sharp learning curve among the working class.

The Cuban trade union movement was well organised, but when Batista came to power he helped to deepen the corruption already existing in the CTC (Cuban TUC). The CTC General Secretary, Mujal, rapidly became ‘one of Batista's most loyal collaborators.’

In 1954 the sugar employers proposed a reduction in wages to keep pace with the fall in the price of sugar; the sugar workers' union in Oriente Province proposed a strike. In January 1955 the government ‘decreed . . . a 7.31% wage cut . . . [and] bulk sugar loading, which would have led to thousands of job losses. There was uproar in the FNTA [sugar workers union] conference, but Mujal persuaded the delegates to refer the strike call to a joint CTC/FNTA meeting.’

At this meeting of the union executive committee and the CTC, the vote was 53 to 19 against strike action. Cushion remarks: ‘this conference was the first sign of a developing schism in the CTC

bureaucracy and the emergence of a left-wing opposition ...’

The same conference ‘was also the first report at national level of an intervention by David Salvador, a shop steward from a plantation sugar refinery ... He would soon become a founder member of the MR-26-7 and would lead the revolutionary CTC after the revolution.’

Mass layoffs followed the formal acceptance of the government decree, and there followed many strikes in the sugar industry.

While details of much of the industrial activity at this time are scarce, a considerable amount is known about a strike at Delicias y Chaparra, beginning in October 1954, which followed an announcement of forthcoming job cuts.

This strike attracted support from all over Cuba, partly because the sugar company was American and the presence of American companies was loathed by many Cubans.

Thus a nationalist theme appears strongly in this and subsequent struggles. The dockworkers refused to load sugar produced by the striking workers; the women from sugar workers' and dockers' families ‘intimidated the Rural Guard’, prevented the police from taking away arrested strikers and ‘stopped would-be strikebreakers from entering the workplace.’

At the time women had an advantage because of the reluctance of soldiers and police physically to attack them.

This strike lasted 104 days and was finally successful, Cushion believes largely because of ‘patriotic solidarity’.

However the full-scale attack on sugar workers' conditions and wages continued through 1956 and was met with widespread militant activity from the workers, despite the lack of any lead from their ‘mujalista’ trade union officials.

There were running battles between strikers and the police and the army, striking workers occupied a yacht club, a church, and a town hall.

There was extensive solidarity action by many different sections including dockers, bus workers, garment workers, even night club staff.

Cuba and its 16 Provinces



Note: Oriente Province was split up in 1976 into: Las Tunas Province, Granma Province, Holguín Province, Santiago de Cuba Province, and Guantánamo Province. The name Oriente is still used to refer to the eastern part of Cuba.

On several occasions the workers shut down a complete town – all shops closed, electricity cut off, transport ceased.

Students figured largely in supporting actions. ‘The support they showed in the sugar strike gave the FEU [students’ union] enormous credibility among workers ...’

The dockworkers were also under attack. The employers’ and the government’s attempts to force through mechanisation were fiercely resisted by the dockworkers, and since employers were reluctant to invest largely in machinery which might not be able to be used due to the workers’ resistance, this attack was less successful than the attack on the sugar workers.

For similar reasons, attempts to mechanise the cigar industry failed, but the government used increasingly violent methods to support other employers including bus companies and banks in their attacks on wages and conditions, leading in the end to torture, ‘disappearances’, and death squads.

An important theme in the book is the convergence of the PSP (Cuban Communist Party) and the MR-26-7 (July 26 Revolutionary Movement).

The failed attack on the Moncado barracks in 1953 was denounced by the Cuban Communist Party (PSP) as terrorism. Fidel Castro was imprisoned and, on his release in 1955, founded the MR-26-7.

As a target of government death squads, Castro went to Mexico, leaving Frank Pais in charge of preparing for his return. In the course of organising support, Pais visited the town of Guantánamo (less well known than the neighbouring US base), a town with a strong working class centred on the railway yards.

These workers struck in 1954-5, but were met with serious violence and de-

feated. Some among them concluded that their wages and conditions could not be defended or improved by peaceful means, due to the violently repressive nature of the Batista regime, and they turned to the MR-26-7, offering their ‘considerable industrial experience’.

Thus the MR-26-7 with its ‘seccion obrera’ (workers’ section) in Guantánamo grew and became strong. As well as organising considerable industrial disruption, they began to prepare for the armed struggle, for example purchasing arms illegally from U.S. personnel at the base.

In its propaganda during this insurrectionary period the MR-26-7 ‘was very strong in its denunciation . . . of the regime ... but much less specific about the proposed solutions,’ in contrast with the material produced by the PSP.

Cushion explains this vagueness on the part of the MR-26-7 as due to its seeing itself ‘not as a political party, but as a movement that could unite all patriotic Cubans who believed in democracy and social justice.’ In this situation, specific demands could cause disunity.

The PSP (Communist Party), on the other hand, was concerned with ‘la lucha de masas’, with putting forward precise economic demands and avoiding overtly political statements. Cushion contends that ‘although it has become customary to belittle the part played by PSP members in the insurrectionary phase of the Cuban Revolution ... this ignores the immense contribution they made to sustaining levels of working class discontent ...’

Although Cushion asserts that the Communist Party ‘was the only consistently honest force in Cuban politics during the 1940s’ he also says that it lost credibility because of its class-collaborationist policies which received theoretical support from Browderism in the United States.

During the early fifties, the PSP concentrated on attempting to create a cross-class united front against Batista, but when it became obvious that Batista would not allow himself to lose an election, the PSP turned to developing the demands of the working class, largely through CDDOs (Comites de Defensa de los Demandas Obreras), of which there were 61 in Havana alone.

These put forward immediate demands - such as for a 20% wage rise. However through a combination of trade union corruption and government violence, it became increasingly obvious that unarmed workers would not be able to succeed, and, necessarily, the policies and actions of the PSP and the MR-26-7 gradually converged.

Cushion shows how two strikes, one successful and the second a chaotic failure, illustrate this process of convergence and its difficulties.

On July 30, 1957 Frank Pais was caught in a police roundup and shot dead on the spot. This murder resulted in the city of Santiago shutting down completely for five days.

The strike spread quickly in Oriente Province and in Camaguey, aggravated by the random violence of the police and army. In Guantánamo the city and surrounding countryside including the railway, the electrical plant, the aerodrome and most shops and businesses closed down, while strikers bombed some bridges and power lines. It proved impossible, however, to spread the strike to Havana.

The extraordinary speed and success of this spontaneous response impressed everyone. It was clear that the strike had succeeded in the east, where there was de facto cooperation between the MR-26-7 and the communists, but not in Havana, where the two organisations were hostile to each other.

Cushion remarks that unfortunately the MR-26-7 and the PSP drew different conclusions. The MR-26-7 thought that with the extent of popular discontent, one more (military) push was needed to overthrow the government; the PSP concluded that its ‘lucha de masas’ was working, and could lead to a peaceful change of government.

Both organisations committed themselves to a general strike, ‘albeit with a different understanding of the term’, and discussions were held between Fidel Castro and the veteran communist sugar workers’ leader, Ursinio Rojas, in October 1957.

That there was to be a general strike became widely known, and the govern-

ment prepared for it. However the MR-26-7, which assumed leadership, kept the date secret, irritating the PSP, who thought the strike would be called for May Day.

In fact it was called with virtually no notice on April 9, 1958. In Havana, where cooperation between the MR-27-6 and the communists was almost non-existent, due mainly to the anti-communism persisting among members of the MR-26-7, police and army rampaged up and down the streets, shooting at random; in this situation, with very little armed protection and at half an hour's notice, the workers did not strike except in the docks.

In the east the strike was relatively successful, but the failure of Havana was crucial. Intense debate followed this disaster and it was realised that serious cooperation between the PSP and MR-26-7 was essential.

The failed strike gave Batista renewed confidence and he threw the whole might of his army of 10,000 against the 300 rebels in the Sierra Maestra.

The rebels had fought off this offensive by August of 1958 and this gave the MR-26-7 recognition 'as the real leader of the anti-Batista struggle', while Batista's standing ebbed, as did the authority of Mujal, who became increasingly irrelevant among the workers.

'Sometime in late October or early November 1958 it was agreed [between the MR-26-7 and the PSP] to form a joint organisation to be known as Frente

Obrero Nacional Unido (FONU).'

This organisation held two congresses, in Oriente 'and in the recently liberated area of northern Las Villas'. These and further meetings of workers including a plenary meeting of sugar workers which numbered about 700 delegates, were held under the armed protection of the MR-26-7.

Cushion gives great credit to the PSP for the organisation of the two congresses, which was difficult and dangerous 'in opposition to the official trade union bureaucracy . . . [and] in the middle of a civil war'.

The Cuban economy at this time was in dire straits, and, due to the failure to defeat the rebels in the east, the morale of Batista's army was low, suffering mass desertions.

When on New Year's Day, 1959, Batista fled, the mass of the population were inclined to celebrate; however the likely victory of the MR-26-7 prompted the U.S. Embassy to try to arrange a coup. 'The columns led by Che Guevara and Camilo Cienfuegos were swiftly deployed to the capital but were not sufficiently strong by themselves to overcome the enemy forces in the capital.'

Then Fidel Castro in Santiago put out a radio call for a revolutionary general strike, which was immediately and entirely successful. Cushion notes: 'Without this strike, it is unlikely that the rebel victory would have been so swift or so complete. Such general strikes do not materialise out of thin air; they have

to be organised.'

He shows that the convergence of the MR-26-7 and the PSP organisationally and tactically was instrumental in ensuring the necessary support of the revolution among the working class.

However, the struggle did not end in January 1959: the PSP described what had happened as 'popular, patriotic, democratic, agrarian and for national liberation' but not as socialist – that was to come later. Right wing elements persisted after January 1959 and, among working class organisations, a tendency similar to the mujalistas managed to exclude the PSP, for a time, from the leadership of the CTC.

David Salvador was installed as general secretary and spoke dismissively of the communists. Eventually he joined the right wing guerrillas in the mountains, was arrested and charged with treason.

Steve Cushion has attempted to correct the record and to put the contribution of the Cuban working class, and its communist party, in their correct place as essential to the success of the revolution. In this attempt he has produced a finely detailed, very readable and totally fascinating account.

This reviewer cannot hope to do justice to the story which unfolds of the ingenuity and courage of individuals and groups, and of the swirling currents and cross-currents of political movement which finally came together to oust the Batista dictatorship; and strongly recommends the book to the reader.

Klaus Steiniger: child of the GDR

On 9 April 2016 *The Socialist Correspondent* received the sad news that Klaus Steiniger, editor of the German journal *RotFuchs*, had died.

By **PAT TURNBULL**

Klaus described himself as 'fully and completely a child of the German Democratic Republic' (GDR).

In December 1948 at the age of 16 he joined the Socialist Unity Party, the unified party of the working class - communists and social-democrats - which would become the leading party of the GDR. He was there as an observer at the 1949 meeting of the People's Chamber where Wilhelm Pieck was elected President.

Klaus's father, Peter Alfons Steiniger, was the son of a Jewish travelling salesman, all of whose relatives, without exception, were murdered in Auschwitz. Peter Steiniger became an international

lawyer and contributed to drawing up the text of the first constitution of the GDR. Among other important roles he was for many years a member of the World Peace Council.

Klaus studied law, worked as a public prosecutor, a mayor, a TV journalist and in the Foreign Ministry of the GDR, before serving for almost 25 years on the editorial board and as foreign correspondent for GDR newspaper *Neues Deutschland*.

Klaus sat as reporter for *Neues Deutschland* and as a comrade of the accused Angela Davis in the courtroom of San Jose, California, from which, if

Governor Ronald Reagan had had his way, she would have gone to the gas chamber. The solidarity action of GDR children in sending a million cards with individually drawn roses to Angela Davis would have been unthinkable without Klaus. US judge Richard E. Arnason declared at the time that the enormous number of cards and letters had not left him unaffected.

The five Portugal years of 1974 to 1979 were unforgettable for Klaus, re-



Angela Davis and Klaus

sulting in a friendship which lasted decades with General Vasco Goncalves, one of the military leaders of the April Revolution and for a time President.

As Klaus said: 'The time in Portugal had a powerful political influence on me and strengthened me against reformists as well as pseudo-communists.'

He had enormous respect for the way the Portuguese communists were able to preserve their mass base even after the success of the counter-revolution.

Klaus wrote books about both the trial of Angela Davis and the Portuguese revolution, basing himself on what he had seen as a journalist.

After the counter revolution in the GDR, as Klaus said: 'With the revenge

of the German bourgeoisie, whom we had succeeded in thwarting for 40 years, my world view did not change at all.

Borrowing from Mayakovski's poem on his Soviet passport, my declaration is: 'For four decades I was a citizen of the best state which there has ever been on German soil.'

In February 1998 Klaus and his wife Bruni brought into being *RotFuchs*, the monthly journal which has grown to a readership of tens of thousands in many countries, and has a large network of supporters' groups in Germany which hold meetings to discuss features of the political situation.

The journal deals with important political issues, and has been able, among oth-

ers, to call upon the expertise of well qualified people who worked in the GDR. It also refuses to give in to the barrage of anti-GDR propaganda which fills the German media, giving opportunities for GDR citizens to tell the truth about their life in their socialist homeland, helping also to offer a picture of the real GDR to those who did not experience it.

For many years *The Socialist Correspondent* and *RotFuchs* have exchanged editions and published articles from each other's journals. The editorial board of *The Socialist Correspondent* wishes Bruni, Klaus's family, and all the *RotFuchs* collective heartfelt condolences. We also wish everyone success in continuing Klaus's important work.

The Socialist Correspondent Conference

- When: 10.30am - 5.30pm - Saturday 12 November 2016
- Where: University of London Union (ULU) Malet Street, London.
- What: Topics include:
 - Imperialism and wars in the Middle East
 - After Brexit: Britain and the EU
 - Regaining the Labour Party for Socialism

Fee: £10 - £5 (unwaged)

✂

I wish to attend the conference

NAME.....

ADDRESS.....

e-mail address.....

I have enclosed a cheque for £

I have enclosed a donation for £

Please make cheques payable to:

The Socialist Correspondence Society and send the completed form to:

The Socialist Correspondent, 10 Midlothian Drive, Glasgow G41 3RA

Further info: The Socialist Correspondent, 10 Midlothian Drive, Glasgow G41 3RA