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**THE
Suns**

of Murdoch



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.

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Hacking scandal and the Leveson Inquiry

The Hacking scandal, which is still running, led to the Leveson Inquiry, initiated by David Cameron, Prime Minister.

By ALEX DAVIDSON

The Leveson Inquiry began in November 2011 and is scheduled to report by the end of 2012.

It has two main parts, (1) to look at the culture, practices and ethics of the UK media and, (2) to focus on the extent of unlawful or improper conduct within News International and other newspaper groups.

So far, it has provided a fascinating glimpse into the relationships between the media, politicians and the police. It has shown how almost all of Britain's leading politicians ran scared of the Murdoch empire, its power and influence; and the corrupt relationship between the media and the police.

Why did Cameron (pictured) initiate



this judicial inquiry given his closeness to the Murdochs and their apparatchiks?

Was it because the royal household were extremely unhappy with the Murdoch press tapping and hacking of their phones? Was it because the rival capitalist media corporations were determined to stop the full take-over of BskyB and also saw an opportunity to dent the Murdoch stranglehold on the media? Was it no longer possible to keep a lid on the scandal?

Whatever the reasons it is often an old trick of the British Establishment to establish an Inquiry, Royal Commission or some other method of "kicking into the long grass" a difficult issue.

Lord Justice Leveson, during the hearing attended by Tony Blair, commented, "When I said to Mr Paxman that I didn't want my report to end up on the second shelf of a professor of journalism's study as yet another failed attempt, his only comment was to say, "As high as the second shelf?"

2002

Milly Dowler, 13, disappears in March. Her remains are found in September.

2003

Rebekah Brooks becomes Editor of the *Sun*, Britain's biggest selling daily newspaper. Andy Coulson becomes Editor of the *News of the World*.

2005

November: the *News of the World* publishes a story on an injury suffered by Prince William. That prompts complaints by officials of the royal court about voice-mail messages being intercepted. The complaints spark a police inquiry.

2006

August: the *News of the World* royal editor, Clive Goodwin and private investiga-

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tor, Glen Mulcaire are arrested over allegations that they hacked into the mobile phones of members of the royal household.

2007

January: Clive Goodwin is jailed for 4 months and Glen Mulcaire for 6 months. Both admitted conspiring to intercept communications. After the two were sentenced Andy Coulson resigned as Editor of the *News of the World*, saying he took 'ultimate responsibility' although knew nothing of the offences in advance.

May: News International's lawyers review internal emails between Coulson and executives but find "no evidence" they were aware of Goodman's actions. Coulson becomes the Conservative Party's Director of

Communications under leader, David Cameron.

December: James Murdoch is made Chief Executive of News Corporation's European and Asian operations.

2008

April: James Murdoch agrees to pay Gordon Taylor £700,000 to settle a phone hacking claim.

2009

June: Rebekah Brooks becomes CEO of News International.

July: it emerges that *News of the World* reporters, with the knowledge of senior staff, illegally accessed messages from mobile phones of celebrities and politicians while Coulson was editor from

Continued on next page

Judge Levenson then added, “So even the bottom shelf is, in his view, obviously a possibility.”

However, this Inquiry has brought into public light some things that the Establishment would prefer to keep under wraps.

For example, there are the personal and conspiratorial connections between Government Ministers, media tycoons, tabloid journalists and the police, which they would prefer to keep in the shadows. The real workings of capitalist “democracy” are being exposed.

Prime Ministers at Leveson

Four Prime Ministers and a First Minister have appeared at the Leveson Inquiry.

David Cameron was nervous and tense over questions relating to his relationships with Rebekah Brooks, Andy Coulson and the Murdochs.

That is no surprise given that he was on very friendly terms and worked closely with them all. From the appointment of Andy Coulson as his director of communications to the embarrassment of his supportive text to Rebekah Brooks after she resigned, he should be squirming.



Gordon Brown (left), although having lost the support of the Murdoch press, kept in touch with them. He was asked at the Leveson Inquiry: “Why did your wife in particular remain good friends with Mrs Brooks, to the extent of arranging a 40th birthday party at Chequers for her in June 2008, attending her birthday party in 2008 and Mrs Brooks' wedding in June 2009...?”

Tony Blair (below), unashamedly, admitted that as PM, and before that as Opposition leader, he knew he could not challenge the media, especially the Murdochs, but that they had to be “man-

Nonetheless he stood firm in his defence of Jeremy Hunt as Culture Secretary despite his clear breach of Ministerial standards.

Rebekah Brooks, Chief Executive of News Corps, until she resigned over the phone hacking scandal, is a close friend and neighbour of the Prime Minister. Cameron attended Eton with Charlie Brooks, race horse trainer and Rebekah's husband.

When Rebekah had the loan of a Metropolitan Police horse, the PM took it for a canter. The Brooks and Cameron are part of the Chipping Norton social set, which believes it should run the country.



2003-2007. It also reported that News Group Newspapers has paid out more than £1 million to settle cases that threatened to reveal evidence of its involvement in phone hacking.

Scotland Yard says it will not be carrying out a new investigation into the allegations but the Crown Prosecution Service announces a review of material provided by the police in 2006.

News of the World, editor Colin Myler tells the House of Commons Culture, Media and Sport Select Committee of an internal review in which more than 2,500 emails were read and that “no evidence” of wrongdoing had been uncovered.

Later in the same month, Andy Coulson tells MPs on the Committee things went “badly wrong” under his editorship of the *News of the World* but insists he knew nothing about alleged phone hacking by his journalists.

2010

February: the House of Commons Culture, Media and Sport Committee says in a report that it is “inconceivable” that managers at the paper did not know about the practice.

May: Andy Coulson becomes head of the new Coalition government's media operation after David Cameron becomes Prime Minister.

December: the Crown Prosecution Serv-

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ice says no further charges will be brought over the *News of the World* phone hacking scandal because witnesses refused to cooperate with police.

2011

January: police open a new investigation, “Operation Weeting” into allegations of phone hacking at the *News of the World*.

The *News of the World* announces it has sacked senior editor Ian Edmondson after an internal inquiry.

Despite David Cameron defending Andy Coulson in the face of ongoing speculation about phone hacking, Coulson resigns as Cameron's director of communications.

April: former *News of the World* editor Ian Edmondson, chief reporter Neville Thurlbeck and journalist James Weatherup are arrested on suspicion of conspiring to intercept mobile phone messages.

News Group, owner of the *News of the World*, formally apologises to the actress Sienna Miller for hacking into her mobile phone and pays her a settlement of £100,000.

June: emails given to Scotland Yard, which had been retrieved from the *News of the World* lawyers, allegedly show that Coulson had authorised payments to police officers. Police arrest Terenia Taras, the partner or former partner of Greg Miskiw, who

worked in senior roles for the *News of the World* until 2005. Some days later police arrest Laura Elston, who covers royal stories for the Press Association on suspicion of intercepting communications.

July: a lawyer for Milly Dowler's family says he learned from police that Milly Dowler's voicemail messages had been hacked.

News International says that new information has been given to police. Reports suggest it related to emails appearing to show payments were made to police for information and were authorised by Coulson. Companies begin to cease advertising at the *News of the World*.

7th: News Corporation announces it will close down the *News of the World*.

8th: David Cameron announces two enquiries, one to be led by a judge on the phone hacking scandal, another to look at new regulations for the British press. Coulson is arrested on suspicion of conspiring to intercept communications and suspicion of corruption. He is bailed until October after nine hours at a police station. Clive Goodwin, former royal editor at the *News of the World* is re-arrested in connection with alleged payments to police by journalists at the paper.

10th: the *News of the World* prints its last edition.

11th: Rupert Murdoch withdraws News

aged". It was actually him who was "managed" by the Murdochs.

Alex Salmond (below), Scotland's First Minister has a special relationship



with Rupert Murdoch. The *Sun's* support for independence is widely seen as a quid pro quo. Salmond's defence that his willingness to lobby for BskyB was all about bringing jobs to Scotland is not treated seriously by many, even among the SNP's own supporters

Police resignations and investigations

Several senior policemen have resigned from the Met over the Hacking scandal including Commissioner, Sir Paul



Stephenson (above), John Yates, Assistant Commissioner and Dick Fedoricio, PR Head.

Essentially they played key roles in the attempt to cover up the hacking scandal. However, investigations into their conduct have been stopped.

Sir Paul Stephenson resigned over relations with the press, and "in particular relation to Neil Wallis". Neil Wallis, known as the "Wolfman" among journalists, worked for the *Daily Star*, the *Sun* and the *People* before becoming deputy editor of the *News of the World* in 2003 and executive editor in 2008.

He left *News of the World* to become Managing Director of Champy, a PR company in 2009. He had previously given advice on an ad-hoc basis to several Metropolitan Police Commissioners but after leaving the *News of the World* he secured a formal consultancy role with the Met.

Sir Paul Stephenson agreed that he had received some £12,000 worth of free spa treatment at Champneys Spa with whom Neil Wallis also worked. Wallis continued to be paid by News International after he left to work for the Met.

Wallis arranged work placements for the son of Lord Blair, a previous Met Commissioner and for the son of Dick Fedoricio in 2003-04. Wallis provided John Yates with his daughter's CV and she now has a job at the Met.

John Yates, former Assistant Commissioner, has since gone to Bahrein to assist with police training there. This is a

Corp's offer to spin off BskyB's Sky News channel. Allegations surface on the same day that journalists at several News Corps papers have targeted former Prime Minister Gordon Brown.

12th: John Yates, Assistant Commissioner of London's Metropolitan Police, who was criticised for deciding in 2009 not to re-open the earlier inquiry, appears before Parliament's Home Affairs Committee saying he has no plans to resign.

13th: News Corps announces that it has withdrawn its bid for BskyB.

14th: Neil Wallis, the former executive editor of the *News of the World*, is arrested on suspicion of conspiring to intercept communications.

Meanwhile the FBI announces that it has begun an investigation into alleged hacking of the phones of 9/11 victims and their families.

16th: Rebekah Brooks resigns as Chief Executive of News International.

17th: Sir Paul Stephenson, Metropolitan Police Commissioner, resigns. Rebekah Brooks is arrested.

18th: John Yates, Assistant Commissioner of Metropolitan Police, resigns on threat of suspension by the Independent Police Complaints Commission over his connection with Neil Wallis, former executive editor at the *News of the World*. Former *News of the World* showbiz reporter

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Sean Hoare, the first named journalist to allege that Andy Coulson was aware of phone hacking at the newspaper, is found dead at his home. The police say they are not treating his death as suspicious.

19th: the Commons Culture, Media and Sports Committee holds a hearing with Sir Paul Stephenson, John Yates, James and Rupert Murdoch, and Rebekah Brooks.

21st: new revelations disclose that James Murdoch may have misled MPs. Since the hearing Colin Myler, last editor of the *News of the World*, and Tom Crone, the newspaper's lawyer, have come forward claiming they told Murdoch personally that there was more than one reporter engaged in phone hacking at the paper.

27th: it emerges that Piers Morgan admitted, in 2009, that his newspapers had printed stories using information from phone hacking.

29th: Glen Mulcaire releases a statement saying "he acted on the instructions of others"

August

10th: former *News of the World* editor, Greg Miskiw, is arrested.

11th: Rupert Murdoch endorses deputy chairman Chase Carey as his successor instead of James Murdoch.

16th: a letter from Clive Goodman to News International executives was released. In the letter Goodman claimed that Andy Coulson fully supported reporters using phone hacking to source stories. A redacted version of the letter was originally given to MPs in 2007. At that time the letter contained no reference to Coulson.

17th: James Murdoch admits to paying £700,000 of 'hush money' to Gordon Taylor, chairman of the Professional Footballers Association. The Independent Police Complaints Commission releases a statement saying that they will not conduct further investigations into the conduct of Sir Paul Stephenson, John Yates, Andy Hayman and other former senior police officers.

23th: the BBC discloses that Andy Coulson continued to receive payments from News International for several months after he began working for David Cameron.

26th: Glen Mulcaire reveals to his lawyer the names of the *News of the World* staff who instructed him to carry out phone hacking.

September

6th: Tom Crone, Colin Myler, Jon Chapman and Daniel Cloke give evidence to

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The House of Commons Culture, Media and Sport Select Committee concluded that **Rupert Murdoch** “is not a fit person to exercise the stewardship of a major international company” and that the Murdochs had “misled Parliament about the scale of phone hacking”.

country with a dictatorship, which, assisted by the Saudi Arabian military, has been brutally putting down the Arab Spring protests .

Yates had to take some time off his police training duties in Bahrain to appear by videolink at the Leveson Enquiry, where he was asked to explain an e-mail from an executive of the *News of the World* to one of their journalists. The e-mail read: “Think JY could be crucial here. Have you spoken to him? Really need an exclusive splash line so time to call in all those bottles of champagne...”

The police, without the assistance of their recently departed High Command, are now conducting several investigations:

- Operation Weeting is looking at the alleged phone hacking at the *News of the World*.
- Operation Elvedon is looking at emails from News International that allegedly show payments made to police by *News of the World*.
- Operation Tuleta is looking at the allegations that computers were hacked.
- Operation Sacha is looking into the

allegations that Rebekah and Charlie Brooks perverted the course of justice.

- Operation Kilo is looking at claims of leaks within Operation Weeting.

Capitalist media

The House of Commons Culture, Media and Sport Select Committee found News Corp guilty of “huge failings of corporate governance” and throughout its instinct had been “to cover up rather than seek out wrongdoing and discipline the perpetrators”.

One of its conclusions was that Rupert Murdoch “is not a fit person to exercise the stewardship of a major international company” and that the Murdochs had “misled Parliament about the scale of phone hacking”.

The Committee split on some key findings including the verdict on Murdoch with the Tories voting against.

Whatever the outcome and recommendations of the Leveson Inquiry it will not change the capitalist nature of the ownership and control of the media, one of the major roots of the problems.

the Culture, Media and Sport Committee following their accusations that James Murdoch misled Parliament over the extent of his knowledge of phone hacking. Tom Crone states before the committee that Andy Coulson wanted to re-hire Clive Goodman after he completed his jail sentence. Both Crone and Myler tell MPs they are sure that James Murdoch saw the ‘for Neville’ email – evidence that Murdoch knew phone hacking happened at *News of the World*.

November

Police arrest a man believed to be a *Sun* reporter in connection with payments made to police.

8th: it was revealed that the *News of the World* hired a private investigator to carry out undercover surveillance work on Prince William while the newspaper was being investigated by police for hacking his voicemail.

9th: detectives seize a dossier of evidence which apparently showed that Neville Thurlbeck warned the paper’s editor two years ago that phone hacking was widespread.

14th: The Leveson Inquiry into press standards begins.

2012

February

27th: Charlotte Church says she is “sickened and disgusted” by the *News of the World*’s behaviour as she accepts £600,000 in damages and costs, one of a series of pay-outs to celebrities.

29th: James Murdoch resigns as News International chairman.

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March

13th: Rebekah and Charlie Brooks and four others are arrested by police from Operation Weeting.

April

3rd: James Murdoch resigns as chairman of BskyB.

20th: the *Sun*’s royal reporter Duncan Larcombe is arrested over alleged illegal payments to police and public officials.

23rd: Ofcom launches investigation into the hacking of private email accounts by Sky News

May

1st: Culture, Media and Sport Committee delivers report on the role the Murdochs and their senior executives played in the phone hacking scandal.

3rd: a retired Scotland Yard officer is arrested for taking inappropriate payments from journalists.

9th: David Cameron and former News International Chief Executive Rebekah Brooks had two undisclosed meetings, it emerged, as the Prime Minister was said to have sent a “supportive message” to Mrs Brooks after her resignation from the company.

10th: Andy Coulson appears at the Leveson inquiry

11th: Rebekah Brooks tells the Leveson inquiry she spoke to David Cameron about phone hacking in 2010.

13th: Hasnat Khan, the surgeon who had

a relationship with Diana, Princess of Wales, said police believed his phone may have been hacked before the inquest into her death.

15th: Rebekah Brooks learns that she and her husband Charlie will be charged with perverting the course of justice.

25th: Clodagh Hartley The *Sun*’s Whitehall editor was arrested as part of the investigation into illegal payments to public officials.

28th: Tony Blair appears at the Leveson inquiry.

30th: Coulson held by Strathclyde police on suspicion of perjury over his evidence at the Tommy Sheridan perjury trial.

31st: Culture Secretary Jeremy Hunt gives evidence to the Leveson inquiry insisting there is no reason for him to resign and that he handled News Corp’s bid for BskyB “scrupulously fairly” Text messages handed over to the inquiry showed he texted Chancellor George Osborne to express fears the Government was going to “screw up” the deal after secret recordings emerged of Business Secretary Vince Cable saying he was “declaring war” on News Corp.

June

13th: Rebekah and Charlie Brooks appear at Westminster Magistrates Court charged with perverting the course of justice. They appeared alongside PA Cheryl Carter, their driver and two security officials.

22nd: Rebekah Brooks appears at Southwark Crown Court and hears she could still face charges over phone hacking.

Euro crisis: towards a UK referendum?

In November 2011 the OECD, the international organisation representing the interests of 34 of the world's most developed capitalist countries, issued its six-monthly report identifying the Eurozone crisis "as the key risk to the world economy."

PAUL SUTTON examines the Eurozone meltdown and asks if now is the time for Britain to hold a referendum on its membership of the European Union.

The OECD urged that "decisive policies must be put in place to stop the euro area sovereign debt crisis from spreading and to put weakening global activity back in place."⁽¹⁾

In May 2012 its next report still identified "the crisis in the Eurozone as the single biggest downside risk facing the global outlook" and warned that "failure to act today could lead to a worsening of the European crisis and spillovers beyond the euro area, with serious consequences for the global economy."

Avoiding such a scenario requires action to be taken both at country and supranational level."⁽²⁾

More recently, and even more apologetically, Robert Zoellick (pictured), the outgoing head of the World Bank, warned that a euro collapse could spark a global crisis: "Europe may be able to muddle through but the risk is rising. ... There could be a Lehmans moment if things are not properly handled."⁽³⁾

The Eurozone is now firmly at the centre of the latest phase of the global capitalist crisis but all the evidence of the past six months, and earlier, suggests until now the lack of political will and economic capability by the leaders of the European capitalist classes to deal firmly with it, presaging a further weakening of the global capitalist system and a further erosion of its political legitimacy.

This situation represents the single greatest threat to global capitalism since the onset of the second phase of the global economic crisis in 2007/2008. The panic and indecision this has en-



gendered is aptly summed up by a couple of comments by Martin Wolf, the leading journalist on the Financial Times, in an article on June 5 2012⁽⁴⁾: "It is often forgotten that the failure of Austria's Creditanstalt in 1931 led to a wave of bank failures across the continent. That turned out to be the beginning of the end of the gold standard and caused a second downward leg of the Great Depression itself. The fear must now be that a wave of banking and sovereign failures might cause a similar meltdown inside the Eurozone, the closest thing the world has now to the old gold standard. The failure of the Eurozone would, in turn, generate further massive disruption in the European and global financial systems, possibly even knocking over the walls now containing the depression".

In a directly similar situation we are now in 'phase 2' of the current financial crisis (see my article in Socialist Correspondent 14, Spring 2012) – 'the second downward leg' of Wolf's comment above.

The parallels however can continue. Later in the same article Wolf notes: "Before now, I had never really understood how the 1930s could happen. Now I do. All one needs are fragile economies, a rigid monetary system, intense debate over what needs to be done, widespread belief that suffering is good, myopic politicians, an inability to co-operate and failure to stay ahead of events. ... In the Eurozone they are failing to do so. If those with good credit refuse to support those under pressure, when the latter cannot save themselves, the system will

surely perish..."

The reference to those with 'good credit' is to Germany, and by implication the UK and some others in the EU and beyond such as the USA. The reference to those under pressure in the Eurozone is to Portugal, Ireland, Greece, Spain and, should 'contagion' spread, to Italy.

At the moment the focus is on Greece and Spain.

Crisis in Greece

The situation in Greece was discussed in the previous Socialist Correspondent. The economic situation has not changed in essentials, except to become worse, especially for those on the 'breadline' and increasingly below it.

The immediate remedy is to default on debt and exit from the euro. The question is whether the politics will allow it.

On May 6 elections were held in which the key issue was the economic crisis in the country and the terms the EU had set out to resolve it in its various 'bail-outs' (read loans), which inflicted years of punishing austerity on the Greek people in the hope that they would pay off their 'debts'.

To this the people gave a resounding 'No'. The parties and coalitions of parties rejecting the EU 'deals' won more than half the vote. They included Syriza, a new party on the Left, which came second with 16.8% of the vote (winning 52 seats) and the KKE, the



Greek Communist party, which secured 8.5% (26 seats).

The many parties contesting the election (32) and the complications of the Greek parliamentary system (which, among other things, sees 50 seats added to those of the winning party, in this case the conservative 'New Democracy' which won 18.9% of the vote and 58 seats) created difficulties in forming a coalition government, whether of the 'right' or the 'left', and 'pro' or 'anti' EU bail-outs.

After several attempts to form a government the election results were effectively abandoned and the Greek parliament dissolved after one day. New elections were called for June 17.

In the run-up to these elections it was clear that a serious attempt was being made to influence the outcome by those intent in keeping Greece in the EU and using the euro as its currency. They feared the consequences of 'contagion' spreading elsewhere and threatening their banks should it leave.

These included not only Eurozone political leaders but also David Cameron, Barak Obama and Christine Lagarde (pictured), the new head of the IMF.

The tactics appear to have worked as the election returned the result they wanted: a new government headed by 'New Democracy'. It won 30% of the vote (127 seats including the 50 seat top-up). Its partners are Pasok (the Greek socialist party) which won 12% of the vote (33 seats) and the Democratic Left (which includes ex Euro-communists) with 6% of the vote (17) seats.

Shortly after the results were declared Prime Minister Anthony Samaras moved to reassure his backers that "Greece's place in Europe will not be put in doubt" and that he would "honour its obligations."⁽⁵⁾ They responded by welcoming his victory.

However, the new government is unusual in that neither Pasok nor the Democratic Left offered to sit in the cabinet, demonstrating that their support was in many ways conditional.

That is not surprising because some 60% of Greek voters in the election voted for parties rejecting the 'bail-out'. They included Syriza, which increased its share of the vote to 27% (71 seats) and the KKE which saw its vote drop to 4% (12 seats). Syriza has become the new 'official' opposition.

The situation in Greece therefore remains politically unstable even if for the moment a 'breathing space' has been

secured for the Eurozone as presently constituted.

Much will depend on how far and how quickly the requests by the new government for a 'softening' of the terms of its existing loan agreements with the Eurozone are met. While some, such as the new socialist government in France, support this, others such as Germany and the Netherlands remain sceptical, insisting that Greece must still put in place substantial reforms via a severe austerity programme.

The 'breathing space' could therefore be very short and the pressures could mount in Greece (and outside) to quit the Eurozone if new favourable terms cannot be agreed. In this sense the present situation is a crisis 'on-hold', not a crisis resolved.

Pain in Spain

Spain has also faced mounting economic difficulties. In November 2011 elections were called four months early. They saw the defeat of the ruling Spanish Socialist Workers Party and the return of the conservative Peoples' Party led by Mariano Rajoy.

The defeat of the socialists was in part the consequence of mounting popular protest at government measures to impose 'austerity' as its answer to the crisis. These included a budget in 2011 which saw overall spending cuts of nearly 8%, a freeze or cut in public sector wages and some modest tax rises.

The answer by the new government was 'more of the same', or worse. The budget minister, Cristobal Montoro, called the 2012 budget 'the most austere budget' in Spain since the death of Franco. Additional cuts were expected in the regions which run health services and schools.

Legislation was also passed to make it easier and cheaper to sack workers, including significant reductions in severance pay. And Rajoy agreed, after talks with the European Commission, to cut Spain's budget deficit from 8.5% to 5.3% of GDP in 2012. It inevitably means further cuts in government services given the reluctance of the government to introduce greater meaningful tax increases on the rich.

These austerity measures were met by a general strike in March, with Spanish unions claiming 900,000 on the streets in Madrid and 800,000 in Barcelona. But to no avail. Rajoy stated "the government is not going to yield."

Whatever his resolve, the crisis in Spain has continued to deepen. A few

statistics tell the story. One in four is out of work and one in two of those under 25. In 2010 one in four was at risk of poverty or social exclusion with the situation now worse than then.

House prices have fallen by 25% since 2008 and the construction sector has come to a halt with a loss of 1.6 million jobs. The economy has continued to shrink with a forecast of minus 1.7% growth in 2012. Now its banking system is failing.

In early May the Spanish government stepped in to stop the fourth largest bank, Bankia, from collapse by taking a 45% stake in its operation i.e. a part nationalisation costing 4.6 billion euro. Two weeks later Bankia asked the government for further assistance revealing that it had made a 2.98 billion euro loss in 2011 and not the 309 million in profits it had posted in February.

The government responded by seeking 19 billion euros to help restructure the bank, although how it would raise this sum when it had only 5 billion euro left in its emergency bank bail-out fund was not clear.

In so doing the government highlighted the major problem facing Spain: its overexposed and weakly capitalised banking system, and the inability of the Spanish government on its own to resolve this position.

The situation was finally brought to a head at the beginning of June 2012 when Rajoy admitted what he had previously denied – that he was seeking a new loan to strengthen the banks. The final figure agreed was a provisional 100 billion euro



... austerity measures were met by a general strike in March, with Spanish unions claiming 900,000 on the streets in Madrid and 800,000 in Barcelona.

'bail-out', with funds from the European Financial Stability Mechanism and the European Stability Fund. It would increase Spain's debt-to-GDP ratio from 70% to 80%.

The problem is that no one knows whether this will be enough. An independent audit of Spanish banks commissioned by the Spanish government reported on 21 June that Spanish banks will need 62 billion euros in additional funding.⁽⁶⁾

However, a couple of weeks earlier banking analysts at the investment bank UBS gave a figure of 120 billion⁽⁷⁾ and

others have hinted it may be even higher.

These uncertainties have been reflected in the bond markets where the costs of borrowing for the Spanish government (the ultimate guarantor of any loan given) rose to 7.3% for ten year bonds.

The situation, as in 2007/2008, is quite simply that no one really knows the scale of risk involved. Because of this, the consequences for Spain - and the rest of the Eurozone and beyond are incalculable, economically and politically.

The idea of a Spanish exit from the Eurozone, as suggested earlier for Greece, has therefore been mooted.

Except in this case, given that Spain is the EU's fifth largest economy (twice as big as Greece, Portugal and Ireland put together), the exit would be more damaging with a likelihood it might lead to a collapse of the Eurozone and probably a reconfiguration, if not a complete dismantlement, of the EU.

In the last few weeks the Spanish situation has thus begun a concentration of minds on what to do to contain Spain and how to reconstruct Europe.

However, while there are many proposals there is no real consensus.

The difficulties facing the political leaders and officials charged with charting a course through the crisis that maintains European capitalism essentially intact are summed up by a series of recent reports of the European Commission on the economic state of the European Union in 2012.

It lists problems in country after country. Examples include the UK where economic activity will stay "subdued with growth of 0.5% this year", Italy where the Commission expects unemployment to rise and the recession to continue until the end of the year, and Portugal with an economy predicted to contract by 3.3% this year and unemployment to rise beyond the current 15%.

In all, it reaches the conclusion that the crisis of the last 30 months in the EU has exposed "a very dangerous degree of interdependence of weak banks and weak sovereigns". In short, the capitalist system in the EU is now in a simultaneous (and continuing) banking crisis and a worsening 'sovereign debt' crisis which are feeding off each other and which previous remedies have exacerbated rather than ameliorated or resolved. It is a 'double whammy' and why the capitalist crisis is now most acute in the Eurozone.

Three Scenarios

In essence, and cutting through much confusion, there are three scenarios for the immediate (and short term) future.

Scenario 1: Muddling through

This approach continues the current policy of dealing with problems as they arise. It is the normal way the EU operates and seeks to resolve the many competing national and capitalist interests at work in the EU. It is however coming under increasing attack as an inadequate response to the crisis. Three examples show why.

Spain has secured a loan. But it comes with conditions, even if they are allegedly 'softer' than those imposed on Greece, Ireland and Portugal i.e. they involve continuing austerity measures but over a longer period. Not surprisingly, there are questions as to whether the Spanish people will sooner or later resist such demands. The 'winners' in the Greek election have already signalled they want to 'renegotiate' the terms of their loans, and Ireland and Portugal could be not far behind them.

This poses a major problem for Germany which is the main 'paymaster' behind such loans. It demands austerity as



**Francois
Hollande**



**Angela
Merkel**

its price for support, arguing that the German people will only agree to loans if there are strict conditions. An opposite view is now gaining ground that austerity has not worked. It was crystallised with the election of Francois Hollande (above) to the French presidency in May 2012 where he won 52% of the vote (turnout was 81%).

Hollande campaigned on a new anti-austerity programme for France including sixty measures to boost employment, support teaching and reduce the retirement age for some. He also promised to introduce two new higher tax rates, levy a financial transaction tax and increase capital gains taxes on banks.

Another measure was a promise to renegotiate the terms of the EU fiscal pact agreed in January to emphasise 'growth' not 'austerity'. Further, in his victory speech after his election Hollande stated:

"Europe is watching us, austerity can no longer be the option" ⁽⁸⁾.

France and Germany have been the main 'drivers' of the European Union. When they disagree fundamentally, as potentially now, the whole vehicle shudders to a halt.

A second solution for the future would be a banking union. It is one favoured by the European Commission which sees it as a way of breaking the link between banks and governments.

It is supported by Spain, France and Italy among others. It would entail monitoring of banks by an EU institution, guaranteeing deposits and having recourse to a large fund to support its activities.

The effect would be to dampen bank runs within countries and calm speculation from outside. But it is resisted by Germany who does not see why their bank deposits should guarantee others and why they should provide more money to yet another fund.

A third proposal is Eurobonds. When a country is in difficulties its government can seek money on the international markets by issuing bonds for a specified number of years, which will be repaid at the end of that period and attract interest in the meantime.

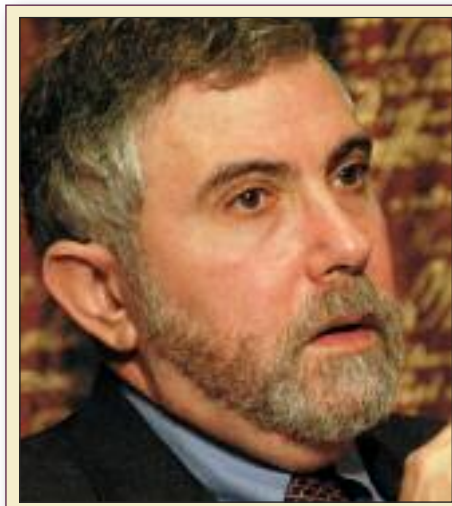
The problem with this solution is that if a country is in difficulties the costs of raising such money increases, with any figure over 7% said to be unsustainable for a government in the long run. In the Eurozone the cost of borrowing has been close to (or anticipated to be above this figure) for Portugal, Ireland, Greece, Italy and now Spain.

A Eurobond would be guaranteed by all Eurozone countries, not just the national government, and hence bring the cost of borrowing down. But it would also increase it for countries with a good record such as Germany where the government can raise money from the international markets for 1.4% or less i.e. increase its costs (if Germany borrowed at the Eurozone average it is estimated it could cost it an extra 50 billion euros in repayments - almost 2% of its GDP).

Why would Germany do this? Indeed, what these examples show is that German economic interests are not served by any of the proposals to 'muddle through' although it is the indispensable foundation for the enactment of each. So the question is: does Germany have an alternative?

Scenario 2: a two level, or more, Europe

On 7 June German Chancellor Angela Merkel (above) spoke on German TV and called for "more Europe". She spoke of the possibility of a budgetary union but rejected the idea for the joint



“Europe has had several years of experience with harsh austerity programmes, and the results are exactly what students of history told you would happen: such programmes push depressed economies even deeper into recession.”

Paul Krugman

has had several years of experience with harsh austerity programmes, and the results are exactly what students of history told you would happen: such programmes push depressed economies even deeper into recession”.

He then states: “What is the alternative? Well, in the 1930s – an era that modern Europe is starting to replicate in ever more faithful detail – the essential condition of recovery was exit from the gold standard. The equivalent move now would be exit from the euro, and restoration of national currencies.

“You may say this is inconceivable, and it would indeed be a hugely disruptive event both economically and politically. But continuing on the present course, imposing ever-harsher austerity on countries that are already suffering Depression-era unemployment, is what’s truly inconceivable.”⁽¹²⁾

The invocation of the 1930s is here very much a ‘counsel of despair’ as it is for the Martin Wolf article cited earlier. The memory is of economic nationalism, competitive devaluation, the rise of fascism and Nazism, and the eventual drive to war.

Such risks should not be underestimated. Yet defection from the Eurozone is not without reason since it is undoubtedly in the interests of some countries. Greece is one and as is well known there is a strong body of opinion in the UK which would support such a move in respect of the EU. It has even been suggested as an option for Germany! Should that occur the whole European enterprise would quickly unravel, either as in Scenario 2 or more likely into national sovereign units.

In that case there would be a massive global knock-on and the capitalist crisis would have entered a third phase, the outcome of which could be the collapse of capitalism in a number of countries, including European.

Needless to say it is in the interest of the capitalist classes to prevent this from happening. The likely trajectory is therefore Scenario 1 giving way to elements of Scenario 2 and even Scenario 3 (the scenarios are not mutually incompatible).

The conclusion of the recent G20 summit in Mexico in June suggests movement on Scenario 1 is already under way. Paragraphs 6 and 11 of the final communiqué⁽¹³⁾ talks of euro area members of the G20 taking “all necessary policy measures to safeguard the integrity and stability of the area, improve the functioning of financial markets and break the feedback loop between sovereigns and banks”.

It also stated that the G20 “fully support the actions of the Euro Area in

issuing of Eurozone debt. She did however state that: “Step by step we must from now on give up more competences to Europe and allow Europe more powers of control” and, above all, “we need a political union first and foremost.”⁽⁹⁾

She followed it up with a statement to the Bundestag directed toward the meeting of the G20 in Mexico on 18/19 June: “I say to them Germany is strong, Germany is an engine of economic growth and a stability anchor in Europe...but Germany’s powers are not unlimited.” And in a comment on past policies, current austerity and future caution she noted: “We must all resist the temptation to finance growth again with new debt.”⁽¹⁰⁾

What is to be made of these statements? The only sense that can be given to them is a two or more level Europe.

The crisis in the Eurozone is not simply the impact of the financial crisis. Behind it lies a major structural problem. The original intention of the EU was that weaker economic countries would grow in economic strength as a result of membership, and converge to levels not dissimilar to the stronger economic countries. The Eurozone and the euro was a specific mechanism to achieve it.

The reality is that countries in the Eurozone have diverged such that there are now two ‘Europes’: the core of relatively prosperous countries such as Germany, the Netherlands, Austria and Finland and the periphery of those in trouble such as Portugal, Ireland, Greece and Spain. In between are all the other 17 countries located somewhere near either pole or directly in the middle, such as Italy.

Any solution to the Eurozone crisis which does not directly address this issue is bound to fail.

The result is that there have been suggestions the Eurozone should split into

two – a north and a south. The north of prosperous countries would be grouped around Germany and have its own central bank, currency and monetary policy. The similar growth levels among the countries would make integration easier.

The same would apply to the south. The countries here with their common currency could have a common monetary policy which would include higher interest rates (to stop currency speculation), default and renegotiation of their debt. Their currency would devalue against the currency of the north and the currency of the north would similarly appreciate against the south.

Eventually both blocs would be brought more in line. Or would they? The study of economic underdevelopment shows that countries in the core prosper and grow and those in the periphery stagnate or get poorer. Why would a two level Europe of a northern core and a southern periphery be any different?

And where do France and Italy fit in this scheme as well as the other non-Eurozone countries such as the UK? It is not easy to determine. Perhaps there will be a three level Europe of a north, a south and the rest. If that comes to pass Europe will resemble more what it was in the 1950s and 1960s, a cluster of separate economic associations⁽¹¹⁾, and the dream of a ‘United States of Europe’ will be effectively finished.

Scenario 3: full break-up and a disunited Europe

This scenario does not get much attention, but it is a real possibility.

Paul Krugman, a much cited and much syndicated US liberal economist in the tradition of J.K. Galbraith, has raised it for one. In an article in The New York Times in April he argued that fiscal authority, as favoured by Germany, was “not to mince words, just insane. Europe



Jon Cruddas MP, the newly appointed policy chief for the Labour party and MP for Dagenham ... told the People's Pledge campaign that a referendum was an issue of "democracy" and that a referendum pledge should be made "immediately, or as quickly as we can."

moving forward with the completion of the Economic and Monetary Union. Towards that end, we support the intention to consider concrete steps towards a more integrated financial architecture, encompassing banking supervision, resolution and recapitalization, and deposit insurance."

With reference to Greece it supported measures by the Eurozone to ensure the next Greek Government "remain on the path to reform and sustainability within the Euro Area" and on Spain "welcomed Spain's plan to recapitalize its banking system and the Eurogroup's announcement of support for Spain's financial restructuring authority."

Policies to enact such measures will no doubt be proposed, and strengthened, at the European Union summit scheduled for the end of June. What they will be is not yet known, but what is known is that they will not be enough. The capitalist crisis is too deep for 'half measures' but the thinking, technically and politically, among the managers of capitalism is presently too limited to go beyond them. That is where they are now most exposed and most weak. And why movement toward scenario 2 and Scenario 3 is more than possible.

Toward a referendum?

What then is the position of the UK and beyond that of progressive and socialist forces?

While the UK is not in the Eurozone it is very exposed to the fall-out from the current crisis. Some 47% of UK exports went to the Eurozone in 2011 and it was the source of 43% of imports. British banks and institutions are exposed as investors and as lenders.

For example, it has been estimated that UK banks have loans of more than 50 billion euros tied up in Spain, a substantial proportion of it as mortgages raised in the UK to British customers with homes in Spain and who are now in 'negative equity' (and so at risk of not repaying their mortgage).

Weak economic growth (or no growth) in the Eurozone spells weak or no economic growth in Britain and a con-

tinuation and deepening of the recession.

The response by Cameron and Osborne has been to urge closer fiscal and monetary integration in the Eurozone while at the same time emphasising the UK's non-involvement in, and distance from, any measures that are put in place to bring about 'closer union' to contain the crisis.

Osborne has gone so far as to signal that "a reshaped relationship with Europe would imply, would involve, a transfer of sovereignty or powers to Brussels" and that "if there is any transfer of power from this country, transfer of competence or transfer of sovereignty to the European Union, then there will be a referendum."⁽¹⁴⁾

The call for a referendum on UK membership of the EU has been a long-standing demand of a large section of the Conservative party and those further to the right.

It has also been a demand from a section of the Labour party, much of the trade union movement and those further to the left. In all, 111 MP's from across the parties voted in October 2011 for a referendum by May 2013 with three options to be put before the public: keeping the status quo, leaving the EU or reforming the terms of the UK's membership.

Since then there has been pressure from some senior people in the Labour Party for Ed Miliband to commit to a referendum on the EU well before the next general election and, should Labour win, implement it.

They include Jon Cruddas, the newly appointed policy chief for the party and MP for Dagenham. He told the People's Pledge campaign that a referendum was an issue of "democracy" and that a referendum pledge should be made "immediately, or as quickly as we can."⁽¹⁵⁾

The People's Pledge campaign, which is campaigning for a national referendum, staged a local referendum in Thurrock, Greater London, in April 2012 in which 89.9% of people who voted backed the idea. Follow up referendums are planned for three constituencies in Manchester.

Needless to say, while the goal of a referendum is to some extent shared by many the reasoning behind it should be very different for the Tories and for Labour. The time is now ripe for the Left to re-engage with this question and to bring such differences more sharply into focus.

In so doing, it should be recognised there is a case for a thoroughly reformed EU as well as a case for UK withdrawal. These cases now need to be made and discussed by all socialists with the aim of reaching a position before the next elections for the European Parliament in 2014.

Always assuming, of course, that there is still an EU by then and that by that time we are not well down the paths of Scenario 2 and Scenario 3! In that case we will all be in a very different situation.

FOOTNOTES

1. OECD, Economic Outlook, No. 90, November 2011.
2. OECD, Economic Outlook, No. 91, May 2012.
3. The Observer, 17 June 2012. The collapse of the US investment bank Lehman Brothers is widely regarded as the trigger point for the full onset of the 2007/8 capitalist crisis.
4. Martin Wolf, 'Panic has become all too rational' Financial Times, 5 June 2012.
5. BBC News Europe, 'Greece poll: Pro-bailout party's narrow win hailed', 18 June 2012.
6. BBC News Business, 'Spanish banks need up to 62bn euros', 21 June 2012
7. The Observer, 3 June 2012.
8. 'Socialist Francois Hollande wins French presidency', BBC News Europe, 7 May 2012. Hollande's socialist party also won a decisive victory in the elections for the National Assembly on 17 June.
9. 'Germany's Chancellor Merkel urges EU political union', BBC News Europe, 7 June 2012.
10. 'Merkel says Germany cannot save Eurozone on its own', BBC News Business, 14 June 2012.
11. For example, the European Economic Community, the European Free Trade Association and the Eastern European members of COMECON.
12. Paul Krugman, 'Europe's Economic Suicide', The New York Times, 15 April 2012.
13. 'G 20 Leaders declaration', Communiqué from Los Cabos, Mexico, 19 June 2012.
14. The Observer, 10 June 2012.
15. The Guardian, 19 May 2012.

Timberrrr! Even the mightiest might fall

Socialist Correspondent readers may have missed the news that hard wood prices are at an all-time high.

ALEX MITCHELL expects the next wave of the economic crisis to shake the capitalist system to its roots.

The rise in petrol prices has been more noticeable, which stood at around £1.40 a litre when I last filled up.

Most commentary mentions the loss of Libyan and now Iranian supplies at a time when demand from emerging industrial economies like China and India is still growing.

Those explanations may also apply to timber. Nonetheless, as the Financial Times reported, the price of hard wood logs has doubled to nearly \$400 a cubic metre over the past decade and now stands 23% above its previous high in 2008, just before the crisis hit.

A frenzy of investment has accompanied the rise. International Paper, the world's largest pulp and paper producer, has bought a 50% stake in Russia's lead-



Coming hard on the heels of the previous financial collapse, governments will not be able to 'save the world' again through Keynesian-style deficit financing and monetary expansion.

ing forester for \$400 million, while Japan's Sumitomo Corporation and Canada's TriNorthCapital have also made six-figure investments. ⁽¹⁾

These steep rises in commodity prices signal a bubble driven by speculation. They do not indicate a revival of the 'real' economy. A similar price spike preceded the first wave of the current crisis (see Socialist Correspondent 4, Spring 2009).

The crisis continues apace and is hitting those countries that are most open to the international trading and financial

system. To be sure, Barack Obama's refusal to accept the austerity agenda promoted by his Republican and Tea Party opponents in Congress has kept the USA out of recession. But only just.

Labour's fiscal stimulus, notably the temporary cut to VAT and some infrastructure projects, had the same effect in the UK. That is now history, with the Conservative-LibDem coalition's budget cutbacks undermining Britain's growth prospects.

A reduced pace in imposing austerity may be expected from Eurozone governments as the bloc slows down, but the damage has already been done in the Mediterranean countries and Ireland.

The advanced industrial capitalist economies are in the midst of a prolonged period of feeble growth.

Only those countries that retain a degree of economic planning through state funded investment in productive industries, like China, India and Russia, continue to expand rapidly.

Exporters of natural resources – Australia, Brazil, Indonesia, the OPEC group, Russia (again) and South Africa

– will prosper even if commodity prices drop from their peaks. The big question is whether they can withstand the financial storm that follows the implosion of a speculative bubble.

Coming hard on the heels of the previous financial collapse, governments will not be able to 'save the world' again through Keynesian-style deficit financing and monetary expansion.

Mainstream economic opinion will certainly pin the blame for the latest bubble on the money creation policies put in hand by the US Federal Reserve and the European Central Bank, not to mention the Bank of England's quantitative easing programme.

Together these three central banks have pumped over \$4 trillion into the world economy since September 2008. ⁽²⁾

The size of the intervention is equivalent to a quarter of the investment needed to stabilize greenhouse gas emissions from power plants and contain global warming to within two degrees

... three central banks have pumped over \$4 trillion into the world economy since September 2008.

Celsius over pre-industrial levels. ⁽³⁾

But instead of going into infrastructure projects this enormous sum has been spent on propping up the price of paper assets. The very measures designed to save the banks fed their appetite for shares and commodity futures, driving the speculative bubble.

So this time around crash could well mean CRASH! There's a storm coming and even the mightiest trees could fall.

FOOTNOTES

1. Courtney Weaver, *Loggers vie for cut of forestry's promised land*, Financial Times, 25 April 2012: p. 6.
2. Financial Times, 30 April 2012: p. 11.
3. Goldman Sachs, *Global Investment Research*, 18 November 2009: p. 9.

Build good homes at cheap rents

The Coalition government is conducting a sustained attack on the working class. Housing is a big component.

PAT TURNBULL reports on Britain's housing crisis, especially in London where housing benefit cuts are adding to the already serious problem of homelessness.

The previous Labour government has made it easy for the Coalition.

Instead of charging low rents, the Labour government adopted a formula for council and housing association rents which allowed them to rise in real terms year on year.

So currently two-thirds of council or housing association tenants rely on forms of housing benefit to pay all or part of their rent.

The Labour government did not, as it could have done, institute a mass programme of council house building. There are about four million council or housing association homes in England and Wales housing about eight million people.

There are more than 1.8 million applicants on housing waiting lists – certainly not reflecting the real need, since many people, convinced they will not qualify, do not even bother to put themselves on the lists.

Instead of building council homes, the government housed people in private rented accommodation, enabling them to pay their rent through benefits, effectively subsidising private landlords, in many cases by large amounts.

Now what could be easier for the Coalition government than to cut these housing benefits, on which so many tenants depend?

The government is cutting the maximum rent that can be claimed from £2000 a week (which is only a reflection of the rents private landlords are charging) to £400 a week for a four-bedroom property – less for smaller properties.

For single people under 35, the rate of housing benefit has been cut since January 2012 to the rate for shared accommodation – in other words, not your own flat, but a room in a house.

London

London tenants are hardest hit because of the extremely high house prices in the capital. London Councils (the representative body for London's councils) has estimated that benefit changes will leave about 133,000 households in London unable to afford their rent.

In the Daily Telegraph on 8th May Andrew Gilligan reported on some of the effects of government changes to housing benefit. His aim was to prove that things are not as bad as was predicted, but his article reveals growing hardship with worse to come.

Certain high profile cases have made the national media. Newham council (Labour) wrote to 1,100 housing associations as far away as Darlington and Stoke-on-Trent asking whether they would be interested in taking up to 500 housing benefit families.

The mayor of Newham, Sir Robin Wales (pictured), said the council had contacted more than 100 groups in search of accommodation for benefit claimants who could not be housed in the borough and added, "The only other option would be to put people up in tents." Westminster council (Conservative) planned to send 150 claimants to Derby and Nottingham – 130 miles away – as a 'temporary' solution.

Other councils are already housing families outside the borough. Kensington and Chelsea made 769 placements outside the borough last year, but could not say how many were as a result of housing benefit changes.

Westminster says it is planning for an extra 480 homeless households, about

1,200 people, as a result of the cuts. Also from Westminster, Andrew Gilligan reports: 'At the local magistrates' court, one day last week alone, there were four eviction cases brought by housing benefit landlords whose tenants could no longer afford the rent.'

Nor were these the tabloids' beloved "scroungers in £1 million houses" – all were in relatively modest properties and one had a part-time job."

A spokeswoman for London Councils added: "Many, many people who may have been impacted are having conversations with their housing providers, to see whether they can stay in their homes. There have been transitional protections which have helped."

Andrew Gilligan gives the case of Amira, a 39-year-old mother of four, who lost her flat near Edgware Road, where the £812-a-week rent was being covered entirely by housing benefit.

Westminster council offered her a flat in Dagenham, on the other side of London, at below £400 a week, but she did not want to move her children's schools. The council gave her bed-and-breakfast accommodation in the borough "then a temporary flat nearby, though it is not clear how long the family will be able to stay there."

Gilligan continues: "Many others, like Amira, have moved within or close to their areas, rather than outside them, finding smaller or cheaper properties to stay within the rent limits." People are deprived of permanent homes. Living standards are reduced.

Housing benefit claimants are 40% of the private rented market. Ministers say the pressure will reduce rents, but, says Gilligan, "in

expensive parts of London, where market demand is booming, many landlords won't be cutting their rents whatever happens."

Andrew Gilligan talked to Karen Buck, Labour MP for expensive Westminster North, who expanded the picture: "What you have to remember is



that people were given nine months' transitional protection."

But 30% have already lost that protection, 10% more are losing it every month as their tenancy agreements come up for renewal, and eviction cases are stacking up in the courts. Karen Buck: "I am getting some absolutely horrific cases.

"People with special-needs children, someone with a blind son: heartbreaking cases. They are waiting for their court orders and they will definitely lose their homes."

Cap on Benefits

The situation can only get worse from next year, when the government is introducing an overall cap on all benefits a household can receive of £500 a week - £350 a week for single people without children.

67,000 households across the UK have been sent letters warning them they will be affected and could lose their homes. David Orr, chief executive of the National Housing Federation (the body that represents housing associations) responded: "The letters will come as a shock to many vulnerable families.

"The overall benefit cap is a crude measure that fails to reflect the stark differences in housing costs across the country, caused by the desperate shortage of affordable housing."

About 14% of existing housing benefit claimants are working and by far the majority of new claims are coming from working people.

Karen Buck says that housing benefit is just one aspect of changes that have

24,500 new and additional social-rented homes need to be built each year for the next ten years to meet London's backlog of need.

already led to big rises in homelessness and rough sleeping.

Labour also supports a cap, "though it won't say how much," says Gilligan.

The shortage of council and housing association rented homes has increased overcrowding. In London 43% of children in these social rented homes live in overcrowded conditions. The government's response? Penalise the tenants.

From April 2013 the government is introducing new size criteria for housing benefit claims in social housing.

This will restrict benefit to allow for one bedroom for each person or couple living as part of the household, with the following exceptions:

- Children under 16 of the same gender are expected to share;

- Children under 10 are expected to share regardless of gender;

- A disabled tenant or partner who needs a non-resident overnight carer will be allowed an extra bedroom.

The cut will be a fixed percentage of the housing benefit eligible rent. This will be set at 14% for one extra bedroom and 25% for two or more extra bedrooms. The government's initial assessment shows that those affected will lose an average of £13 a week.

Housing shortage

The dire and worsening shortage of social rented homes was revealed in the London Plan Annual Monitoring Report for 2012. Only 32% of the Plan's target for the building of new and additional social-rented homes was met in 2010/11.

Only 3,465 of that year's 10,675 London Plan target for new and additional social-rented homes was provided. 'New and additional' is a term used in the London Plan to distinguish genuinely additional homes from, for example, those built to replace others that have been demolished.

17,977 of all types of homes were delivered - 59% of the London Plan's target. Market homes met 62% of their target and intermediate homes (part rent/part buy) 74%.

But the picture is even worse than that. Studies of housing need in London commissioned by the London Mayor in 2008 showed that two-thirds of all homes built in London should be social-rented.

24,500 new and additional social-rented homes needed to be built each year for the next ten years to meet London's backlog of need. The 2010/11 London Plan target was set at only 44% of that need. So actually only 14% of real need, as demonstrated in the 2008 study, was delivered in 2010/11.

Virtually no new and additional social-rented homes will be built from now on, because the Homes and Communities Agency, which supplies the money, is following the government's policy of only providing subsidy for 'affordable rent' homes - up to 80% of market rents.

The term 'affordable' started to be used under the previous Labour government and can only have been introduced to pull the wool over people's eyes. 'Affordable' rent is up to 80% of market rent.

Research shows that in London it

would require an annual household income of £44,500 to meet the cost of average 80% market rents. Even 65% of market rent requires a household income of £36,156. According to figures from the Greater London Authority, the median London household income (taking into account family sizes) is £31,379 for inner London and £30,507 in outer London. This means more than half of Londoners cannot afford these 'affordable' rents.

'Affordable' housing also includes so-called intermediate properties - part-rent/part-buy. Of the people who can't afford market housing, only an extra seven per cent can afford these. 2009 research shows that 92% of intermediate, shared owners had not been able to increase their share from the initial stake (usually 25%).

But worse and worse - London Mayor Boris Johnson (pictured) now plans to count delivery of 'affordable' and social-rented homes together in terms of the London Plan social-rented target.



The Mayor's housing policy describes 'the new affordable rent product intended to address the same housing needs as social-rented housing'.

In the Mayor's 2011 London Plan he sets a target of 'at least 32,210 new and additional homes' of which 7,929 (25%) will be social-rented, 5,280 (16%) intermediate and 19,010 (59%) market homes. Social-rented will include up to 80% market rent in the Mayor's new terminology. Intermediate means part-rent/part-buy.

There is plenty of proof that homes are being built that people cannot afford. In 2008/9 the (Labour) government had to pump in extra money to convert unsold housing association homeownership homes into rental properties and reduce rents on shared ownership units.

According to 'Inside Housing' approximately £183.1 million during the Homes and Communities Agency's first four months went to 14 housing associations for this purpose, with London housing associations being the major winners.

Part of the Coalition government's welfare reform is that from October 2013 housing benefit will be paid to the resident, not the council. This has worried vulnerable residents who fear they will not be able to manage the money and will be in danger of losing their homes.

Council housing is now being man-

aged in a different way, as part of 'localism'. Each council housing department must be self-financing. Income, largely from rents and service charges, must cover all costs.

The Housing Revenue Account (which finances council housing) still exists and is still ring-fenced, but the system of government subsidy, which covered interest rates (and interest rate rises), has been abolished.

The government continues to fix levels of rent rise at the retail price index (RPI) plus 0.5% - meaning a rent rise in absolute terms every year. Note that rent rises are at the higher RPI rate of inflation, whereas pension rises, for example, are based on the lower consumer price index (CPI).

Homeless

Homelessness in England has risen by 23% in a year, according to the government's annual study *Rough Sleeping Statistics England* that started two years ago. In April the *Daily Telegraph* carried an article about a camp in Northampton which is home to a community who are known locally as the 'roundabout people'.

The tent village was set up in woods next to the Barnes Meadow Roundabout on the A45 in 2009. Currently there are eleven permanent residents, including children. Nine are from Poland, one from Latvia and one from Slovakia.

They are, we are told, not eligible for benefits or social housing because they do not possess any official papers. A local resident said: 'It's like they are surviving in the Stone Age just a few feet from cars whizzing by them.'

In 2010-11 at least 3,975 people slept rough on London's streets - an increase of 8% on the previous year. In some parts of London rough sleeping 'encampments' are developing made up of non-EU nationals.

In 2011 homelessness applications increased by 4% and acceptances by 15%. In 13 London boroughs there were increases in temporary accommodation compared with 2010 - in Barking and Dagenham by as much as 37%.

Meanwhile, some people are benefiting from the housing shortage. The government-backed rent-a-room scheme



Peabody Square model dwellings in Blackfriars Road, in Southwark, London. These buildings, some of which still exist, are typical of early Peabody Trust developments and of pre-WWI social housing in London.

makes taking in a lodger more attractive by rendering rental income up to £4,250 a year or £354 a month tax-free.

There are dozens of towns and cities where homeowners can live mortgage-free by renting out their spare rooms, according to the Spareroom website.

In Hull homeowners can even make an average annual profit of £1,064. In Blackpool, Stoke-on-Trent, and Manchester the profit is more than £800, and Belfast and Glasgow are not far behind.

In London, however, the average two-bedroom house costs £350,000 with annual mortgage costs of £12,040, while the average rent from a lodger is £8,268 a year.

The only answer to this crisis situation is to build homes at rents that people can actually afford. Instead the government mounts a series of 'divide and rule' attacks to divert attention from the housing shortage.

On 19th May the *Daily Telegraph* reported: 'Conservative strategists have identified perceived abuse of social housing as a key issue among working class voters.'

The Department for Communities and Local Government says there are 34,000 council houses occupied by tenants with a household income of more than £60,000.

So the government is aiming to put a £60,000 income threshold on people in council and housing association homes. The article continues: 'Government sources said the income threshold was part of a drive by ministers to increase incentives for home ownership.'

In part of the same drive, the govern-

ment plans to beef up the right-to-buy campaign by increasing the maximum discount to £75,000 for tenants who want to buy the home they rent. This discount has been available from April 3 to up to two million council tenants and another 500,000 housing association tenants.

Ministers claim that the new drive could result in another 100,000 homes being built, but the figures do not stack up. In London, HomeTracks research shows that to build one new social-rented home would require 1.6 Right to Buy sales.

Since 1980, two million council homes have been bought by tenants under the scheme, and while sales are not at the level they were when the policy was introduced, the steady drip of loss has continued - up to 4,000 were sold last year.

In March David Cameron launched the NewBuy Guarantee, which means the state and the builder will underwrite 95% loan-to-value mortgages on new homes. But the campaign has stalled, with mortgage lenders charging about 6% interest.

Unfortunately, at this time when tenants are hard pressed and a joint fight is vital, federations of tenants' and residents' associations have been vanishing across the country as local councils withdraw funding.

In London, Hammersmith and Fulham is the latest. On 31st March the federation celebrated 25 years' existence and on 1st April they ceased to be funded.

The council has set up new residents' panels: several experienced residents applied for membership, and went through the interviews (conducted by council officers the panels are supposed to be monitoring), but were rejected.

As the London Tenants Federation bulletin reports: 'Many others didn't bother because they could see the way things are going.' In a borough of nearly 13,000 tenants and 4,500 leaseholders, membership of the two panels comprising about twenty tenants in total includes two people from one block of only 22 flats.

Hammersmith and Fulham Federation of Tenants' and Residents' Associations aims to continue on a voluntary basis.

Hackney: no place to live on a low income

House prices in the Olympic London Borough of Hackney are rising faster than anywhere else in the country.

By **PAT TURNBULL**

According to Land Registry figures, the average property price in Hackney rose 12.6% to £362,000 between 2010 and 2011.

The National Housing Federation, which represents housing associations, say people need to raise £90,000 for a deposit on the average Hackney home and be earning £80,000 to afford the mortgage.

Meg Hillier (pictured), MP for Hackney South and Shoreditch writes in the Hackney Gazette: "One resident was quoted £400,000 for a two-bed shared ownership property – even the purchase of a quarter is beyond reach."

She adds: "Once affordable housing goes it is gone for future generations. And once rents are high they never reduce by much. Add to this Government plans for all new affordable rents to be 80% of local private sector rents and there will be nowhere for Hackney residents on modest and low incomes to live."

New research shows that households need to be earning £61,000 just to be able to rent the average two-bedroom house in Hackney. The average salary in the borough is £26,000.

Hackney Council has published a document: 'Developing Hackney's response to the Government's social housing reforms'.

It states: "Last year the Government cut the national housing budget for the next four years by over 60%. This mostly affects investment in new homes and could mean, without intervention, the end of newly built social rented homes from 2013 outside of estate regeneration and for people with care or support needs."

Hackney has 32,000 council homes, of which 9,000 belong to leaseholders. About 90,000 people live in these homes. There are 19,000 on the Hackney housing waiting list.

However, this waiting list may yet be slashed by sleight of hand. The Council says: "The Localism Bill ... permits

exclusion [from the housing waiting list] of those not in significant need who are assessed as being adequately housed ... The level of 'true' need remains very high though: 9,000 householders await fewer than 1,000 new lettings in social rented homes available each year from 2013."

The Council's house-building plans are a drop in the ocean compared to the need. The Council's cabinet has agreed an eight-year programme to deliver a total of 1,092 homes across twelve estates and sites, comprising 614 homes for social rent and 478 shared ownership, with all being achieved without reliance on Homes and Communities Agency funding.

This is because Homes and Communities Agency funding generally requires homes to be built at up to 80% of market rent. In fact, Government policies will result in a loss of social rented homes. Housing associations are now allowed to convert empty social-rented homes to 'affordable' rent – up to 80% of market rent. Hackney Council has asked housing associations to convert no more than 22% of all social rented re-lets at this stage. 22%!

The Council has also formally advised housing associations that 25% of newly-built homes should be for social renting with the remaining 75% for affordable rent.

Providers have said that delivering this level of social rented homes will be 'particularly challenging'. So even this low rate of delivery is not going to happen.

Hackney projects a 30% reduction in social rented lettings by 2013 due to a big fall in newly built homes and providers converting an estimated 60 homes each year to affordable rent.

Over years Hackney has transferred many council homes to housing associations. Whole estates have been handed over; and estates have been knocked down – so-called 'regeneration' – with all or most of the new homes for rent being not council but housing association properties.

These 'regenerations' have also included homes for sale or part-rent/part-buy; the results have generally been fewer social-rented homes than before.

From now on Hackney regenerations will not include stock transfers to housing associations, but will include homes for sale. It is estimated that to build one new council rented home in Hackney, the council will have to build two and a half for sale.



Israel paves the way for war against Iran

Israel's unity government, formed in May, paves the way for war against Iran and the suppression of dissent at home.

SIMON KORNER gives an overview of the current situation in Israel.

When Palestinian leader Marwan Barghouti (pictured) called for a third intifada against the occupation, he declared the current 'peace process' dead.

Barghouti's emphatic statement from his prison cell on March 30th – Palestinian Land Day – represents a challenge to the policies of fellow Fatah member and Palestinian Authority leader Mahmoud Abbas. Calling for an immediate halt to all co-operation between the Palestinian Authority and Israel, particularly between the Palestinian security services and Israeli occupation forces, he also demands a total boycott of Israel, the positive promotion of Palestinian products, and the further use of the UN to try to isolate Israel diplomatically.

Barghouti's statement is a response to Israel's strategy of sabotaging the idea of a two-state solution based on a return to the 1967 borders.

Land

The biggest immediate obstacle to progress is the continuing Jewish annexation of Palestinian land. The past year has seen a 20% rise in construction start-ups in the West Bank settlements – 3,500 settlement units were already underway in 2011.

There are now 124 official settlements in the West Bank, and 100 unofficial ones, known as 'outposts', built on privately owned Palestinian land. Both official and unofficial settlements are clearly illegal under international law, which stipulates that territory gained through war may not be settled.

The distinction between official and unofficial settlements, sanctioned by the Israeli Supreme Court, is now itself being torn up by the government, which



refuses to let even a flimsy legal fiction curtail colonial expansion.

Such bad faith is nothing new, of course. Recently uncovered documents have revealed a secret Ministry of Defence plan, made in the very process of agreeing the 1994 Oslo Accords, to take over 10% of the West Bank with settler outposts – in spite of solemn promises to the contrary made at the time.

The settler population is now growing at over twice the rate of the Israeli population as a whole. Last year also saw the highest rate of construction of Jewish homes in Arab East Jerusalem in a decade – 3,690.

Linked to this is the continued demolition of Palestinian homes to make way for Jewish-owned buildings. In 2011, 176 homes were destroyed, making over 1000 people homeless. Half the demolitions were in the Bedouin communities of the Jordan valley.

The racial segregation wall – Israel calls it a separation or security fence – begun in 2002 and still under construction, represents the other main territorial bone of contention. The wall not only divides the Palestinian territory into unworkable cantons but annexes land as it irons out kinks in its 437 km length. Eventually it will extend to 700 kms in length.

With over half a million Jews now living beyond the 1967 borders – about 300,000 in West Bank settlements and 200,000 in East Jerusalem, approaching 10% of the total Jewish population of Israel – the regime's territorial aims are unmistakable. Before 1948, Palestinians owned three-quarters of the territory that was to become the new state of Israel – now they own just 3.4%. Yet Israel

wants more. After last year's bid for Palestinian statehood at the UN, rightwingers in the Knesset have demanded that all West Bank settlements, including 'unofficial' ones, be sanctioned, and their construction accelerated.

Violence

Alongside the land-grab, Israeli violence against Palestinians fuels Barghouti's argument for a radical shift of tactics. Attacks by Jewish settlers against Palestinian people and property rose 40% in 2011 compared to 2010.

The UN has identified over 80 communities with a combined population of nearly 250,000 Palestinians vulnerable to settler violence – including elderly farmers attacked while harvesting olives on their own land.

Three years after Operation Cast Lead in Gaza, the military has failed to investigate its abuses in any credible way. 1,391 Palestinians were killed in the bombing of Gaza and over 5,300 injured. 20,000 were made homeless.

The B'tselem human rights group reports that only individual soldiers have been investigated, no senior officers. No government minister need fear arrest for war crimes.

Israeli army chief Benny Gantz has threatened further violence following the killing by Israeli drone of a Gaza militia chief in March.

He stated that Israel would bomb Hamas if any rockets were fired from Gaza or Egypt's Sinai desert – regardless of which militant group fired them. Similarly, he announced that Hizbollah would be attacked if any rockets were fired from Lebanon.

This, in spite of Israel's new Iron Dome air defence system, which has since its installation intercepted the majority of the rockets fired into southern Israel from Gaza, according to the Ha'aretz newspaper.

If the Iron Dome system really is this effective and is rolled out across Israel, militant groups may have to rethink the use of rockets as a means of disrupting Israeli life and demonstrating resistance to occupation.

Repression

As of December 2011, 4,772 Palestinian political prisoners were being held in Israeli jails. Of these, at least 309 were being held without trial.

Many convictions are unsafe, based on flawed testimony or evidence. Incarceration of a different kind is enforced by over 100 checkpoints in the West Bank, almost 500 'flying checkpoints' being set up each month, and more than 500 physical barriers – not counting the gates along the 'apartheid' wall.

In addition, certain major West Bank roads are outlawed to Palestinians altogether. As a result, there has been a dramatic fall in the use of main West Bank roads, which are used almost exclusively now by Israeli settlers, who also monopolise major bus routes as well.

Arab Israeli citizens are facing increasing victimisation too, with new draconian laws restricting civil rights. Israeli Arabs are now forced to swear loyalty to the Jewish state, with the threat of having their citizenship removed if they engage in anti-Zionist campaigns.

The 'Nakba' law, passed last year, cuts off funding to any institution commemorating the ethnic cleansing of the Palestinian population in 1948. The law covers any group that rejects the state of Israel as a Jewish state, or which commemorates Israeli Independence Day as a day of mourning.

Likewise, a new Citizenship law stipulates that an Arab Palestinian citizen of Israel cannot marry an Arab Palestinian from the West Bank and remain living in Israel, as the West Bank partner may no longer gain Israeli citizenship or residency through marriage.

Israel's clampdown affects everyone in the country, Jews, Arabs and new immigrants alike. McCarthyite investigations into left wing groups suspected of undermining the army have been introduced, as have laws against calling for a boycott of Israel.

An anti-immigrant law passed in January allows for the detention without trial of anyone crossing Israel's borders illegally. The bill criminalises migrants and asylum-seekers, and anyone giving them succour could face prison sentences of between five and 15 years.

The new law widens the scope of a 1954 law, aimed at preventing the entry of Arab-Palestinian refugees, to cover African migrants and others. In late May Netanyahu warned that the 60,000 Africans in Israel could rise to a 'flood' of 600,000 which would threaten the Jewish and democratic nature of the state.

He plans to introduce forced expulsions, and to complete the fence along



The Israeli apartheid wall near Jerusalem.

the Egyptian border by the end of the year.

In addition, a 'detainment' or concentration camp, is to be constructed, according to journalist Carmela Menashe – in preparation for a predicted rise in violence over Israel's hardening colonial stance.

Altogether, since 1967 Israel has detained more than 750,000 Palestinians, including women and children. Around 40% of Palestinian men living in the occupied territories have been detained by Israel at some point in their lives.

Economic conditions

Capitalism has pushed 1.8 million Israelis into poverty – 25% of the population now lives below the poverty line, the figure rising steeply during the past decade, with 837,000 children going hungry every night. Inequality in Israel is the highest of all the OECD countries, apart from the USA.

The dominance of 20 business groups controlled by the so-called 'five families' – the oligarchs who dominate roughly half of Israel's total market of all products – has kept prices of basics very high. The oligarchs' political influence has ensured prohibitive tariffs on many foods, as well as on items like imported cars.

Military spending, which includes spending on the settlements, takes up about half the Israeli national budget. The Gaza bombing cost 5.5 billion shekels (almost £1 billion).

The Lebanon bombing campaign in 2006 cost 30 billion shekels (£5 billion). In spite of the \$3.5 billion (£2 billion) of US military aid to Israel every year, Israeli per capita income is \$32,000 (£19,000), the level of Spain and

Cyprus, and well below countries like the Netherlands and Singapore.

Israel's position last year among the world's top four arms exporters, with exports worth around £4.4 billion, is boosted by its ability to demonstrate its weapons technology in action constantly. In particular, its 'combat proven' drones have been marketed aggressively by the Israel Defence Force following their use during Operation Cast Lead. And yet, Israel's profitable military sector fails to benefit the Israeli people, who suffer an unemployment rate of 6.5%.

Meanwhile, more than half the Arab population lives below the poverty line. The West Bank unemployment rate is 16.6%. The Palestinian Authority (PA) depends on foreign aid for almost all its security and public services budget of nearly £1 billion.

With many aid pledges not honoured, and the Israeli stranglehold on access to land, water, raw materials and export markets, economic growth is impossible. Last September, the US cut off aid altogether as punishment for the Palestinian bid for statehood at the UN.

In Gaza, the situation is far worse. Unemployment there is 45%, according to the United Nations Relief and Works Agency (UNRWA), among the world's highest. Most of the Gaza population is dependent on foreign food aid. The opening of the Rafah crossing into Egypt has not improved things, with 95% of factories and workshops still closed due to the blockade.

Resistance

The huge Israeli social protest movement of last summer culminated in 430,000 people demonstrating on 3 September,

5.5% of the population, the largest protest in Israel's history – though in percentage terms smaller than the Peace Now protests following the Sabra and Shatila massacres.

The protestors against rising rents, privatization, VAT and petrol tax were joined by university teachers, doctors whose working conditions are deteriorating along with the public health system, and workers in the Haifa chemicals and food industry protesting against redundancies. The Histadrut trade union federation leadership gave only tepid support – though in February this year it organised a general strike that paralysed the country for 4 days – following public sector strikes by social workers, state attorneys and a prolonged doctors' strike.

The slogans of last summer's social protest explicitly linked the government's austerity policies to military spending on the occupation and the settlements, a potentially significant development. The joint Jewish-Arab activity, with tent encampments in Arab communities as well as mixed communities, marked another advance.

According to the Communist Party of Israel: "The protest movement presented clear evidence that in Israel there are unmistakably healthy forces who can lead a progressive change."

This view was borne out by the earlier electoral campaign of Ir Lekulanu ("City for All") in Tel Aviv-Jaffa, which gained 35% of the vote in 2008, with Communist MP Dov Khenin as mayoral candidate.

While the protest movement has died down for now, other related issues continue to draw support. Racism against Israel's 125,000 Ethiopian Jewish immigrants has been a focus of protests in the southern town of Kiryat Malachi, where housing committees have been refusing to sell apartments to Ethiopians, and wider demonstrations against the rising anti-African racism have taken place elsewhere.

Meanwhile, Palestinian resistance took the form of a mass hunger strike by political prisoners. (see article on page 20).

The weekly protests by the villagers of Bilin, a village cut off from its land by the Israeli wall, have entered their eighth year. Since the protests became a focus of leftwing and international campaigning, the military has ruled the village a closed military zone and prohibited outsiders from demonstrating.

Other villages mount similar protests. Palestinian Freedom Riders, inspired by the US civil rights bus campaign, are exposing Israeli segregation on buses run by Israeli bus company, Egged and the French company, Veolia.

In terms of international support for

the Palestinians, the Palestinian Trade Union Coalition for Boycott, Divestment and Sanctions (PTUC-BDS) was launched last year – calling on trade unions around the world to target companies profiting from the occupation. The RMT in London launched a campaign against Alstom for building and operating the Jerusalem Light Rail, which links illegal settlements with Israel.

More recently, the Co-operative Group announced in April that it will no longer deal with companies exporting produce from settlements in the occupied territories. Though not a boycott of Israeli goods, the fact that a major European supermarket has joined the boycott represents an advance.

The PTUC-BDS has called on unions to break links with the Zionist Histadrut – even as the leftwing alliance Hadash, which includes the Communist Party of Israel, has initiated a campaign to wrest the Histadrut away from its rightwing leadership. These two positions are not necessarily incompatible, but show the complexity of tactics required in different conditions.

Politics

Barghouti's intifida call came as presidential and parliamentary elections in the Palestinian territories were being organised, after five years of Fatah and Hamas running rival governments in the West

Israel is among the world's top four arms exporters, with exports worth around £4.4 billion.

Bank and Gaza. A poll last December put Fatah ahead of Hamas by 43% to 29%. In the presidential race Abbas topped Gaza prime minister Haniyeh of Hamas by 55% to 37%.

Barghouti's high popularity ratings indicate his appeal to both Fatah and Hamas voters. A Fatah member, he was one of hundreds of political prisoners whose release was demanded by Hamas. Israeli soldier Gilad Shalit and 1,027 Palestinians were freed, but Barghouti was not – his iconic status makes him a threat for the Israelis.

In mid April, the Israeli media 'uncovered' transcripts of an interrogation session in which he allegedly took full responsibility for orchestrating attacks on Israeli targets – thus revealing their intention to hold him indefinitely. Barghouti, serving five life sentences on trumped up murder charges, was removed to solitary confinement for a

week as a punishment for his Land Day statement.

As for Israeli politics, the formation of a broader-based unity government of the rightwing Likud and centre-right Kadima parties in May is partly a means of pre-empting any new anti-austerity protests this summer by ensuring cross-party support for a 'balanced budget', ie cuts. It also makes war against Iran more likely.

The recent criticisms of Netanyahu's bellicose rhetoric by the former heads of Shin Bet and Mossad, by former top military commanders and by Benny Gantz, the current chief of staff, have been neutralised by bringing Kadima's Shaul Mofaz into government.

Mofaz, until recently an opponent of war with Iran, is likely to adopt a more flexible position. "With Shaul Mofaz in the government, all options regarding Iran are on the table," according to hard-line defence minister Ehud Barak.

The flurry of criticism may have been pre-election manoeuvring – former Shin Bet chief Diskin is said to have political ambitions – but it appears there are growing divisions between the country's hawkish leadership and the defense establishment over how to counter Iran's disputed nuclear programme.

War

Imperialism's war against Iran has in a sense already begun, with the assassinations of five Iranian nuclear scientists aimed at slowing down the reconstruction of Iran's technological capability in the wake of Israeli missile strikes.

The explosions at Iranian nuclear sites, and the use of the Stuxnet computer worm to damage nuclear equipment can also be seen as a prelude to further conflict. Whether outright military aggression occurs or not may well depend on the US.

So far, America has appeared reluctant to commit to another full-scale war, but its strategic requirement of a reliable gendarme in the region remains, and an Obama election victory will not change that. *Jane's Defence Weekly* believes an attack could happen later this year.

According to *Time* magazine, only 15% of the Jewish population currently regard peace with the Palestinians as the most important issue.

What is new in this period is the fraying of the Israeli's strategy of buying off the Palestinian Authority leadership with pieces of territory in place of a viable state.

The ruling class will continue to use the threat of an external enemy as a way of destroying domestic dissent and any fledgling moves, should these develop, towards Jewish-Arab unity.

Israel's Palestinian political prisoners

In a speech in Ankara in July 2010, UK prime minister David Cameron caused outrage in pro-Israeli circles by declaring that the Israeli blockade had turned Gaza into an 'open-air prison-camp'.

BRIAN DURRANS reports on the heroic resistance of Palestinian political prisoners.

Two years on, it still is. But Gaza is only one part of the Occupied Palestinian Territories (OPT). Since the Six Day War of 1967, the entire West Bank and East Jerusalem have also been occupied by Israel, illegally in terms of international law.

One Occupation, one obstacle, one solution

The Occupation unites all its different aspects - settlements, checkpoints, house-demolitions, uprooting of olive groves, the desecration of mosques, arrest and imprisonment, the whole apartheid system of settler colonial rule - into a single problem, the main obstacle on the road to Palestinian national liberation.

So when the Palestinians, with growing international support, chip away at any part of it, they are helping to remove the obstacle as a whole.

Although the Occupation is a single entity, it is not maintained by Israel alone but with the aid of its imperial sponsors. As citizens, campaigners can urge their governments to change policy, but key multinational corporations are directly complicit in Israel's illegal Occupation and thus vulnerable to pressure from concerned consumers, shareholders, investors and tax-payers.

In the US, Caterpillar, Motorola and Hewlett-Packard are just three examples; in Europe, the French-based Veolia Environnement and the British-Danish giant G4S are two more. All are feeling the heat.

The chipping away now goes on around the globe. Wherever they turn, Israel and its collaborators can no longer count on 'business as usual'.

The beacon for the solidarity movement, Palestinian popular resistance itself, is active on many fronts, not least in the prison system, at the core of the apartheid regime, where the prisoners themselves, with stalwart support from their communities and internationally, have recently scored some spectacular successes. One of the top scorers was Mahmoud al-Sarsak (see cartoon below), a young prisoner who appropriately enough also happens to be a mem-

who is in control. According to B'Tselem (the Israeli Information Center for Human Rights in the Occupied Territories), between 19 January 2009 and 31 May this year, 287 Palestinians were killed by Israeli security forces. Out of these, 35 were minors, as were all six Palestinians killed by Israeli civilians, including one in Israel itself. The corresponding figures of Israeli military killed by Palestinians are 4 and Israeli civilians killed by Palestinians 20, of whom 5 were in Israel itself. ⁽¹⁾ These are 'normal' figures for the Occupation since they omit the even greater disparity between Palestinian and Israeli casualties during Israel's notorious onslaught on Gaza in December 2008 to mid-January 2009 (1,400-1,500 Palestinian deaths to 13 Israeli ones). ⁽²⁾

Israel's prison statistics are similarly shocking. From 1967 to last year, as many as 730,000 Palestinians are estimated to have been imprisoned or detained from a population in the OPT now estimated at 4 million people. ⁽³⁾ This is the highest proportion of incarcerated individuals to total population recorded anywhere on earth.

Military 'justice', apartheid-style

Although the charges and periods of incarceration have varied, these figures reflect the everyday experience of Palestinians and their families, practically all of whom know or are related to someone who has passed through, or remains in, an Israeli detention centre or prison.

Not all detainees are in fact charged with an offence, but those whose cases go to trial face a military not a civilian court. This confirms the apartheid character of the Israeli legal system which labels Palestinian cases as a matter of 'security', irrespective of the actual nature of the offences, and even when no actual offence has been committed.



ber of the Palestinian national football team. Palestine is raising its game.

The prison system

Like the illegal settlements, Israeli prisons are part of a system of institutionalised violence and intimidation.

The colonised is daily reminded of

Labelling them 'security' cases lets Palestinians know what they can expect from Israel's peculiar system of systematic injustice. Even 'common criminals' receive prison visits from families and spouses and other privileges, but these are routinely denied to Palestinians as so-called 'security' prisoners.

More grotesquely still, whilst even a child counts as a 'security' prisoner and is destined for a military court if he or she is Palestinian and throws a stone, neither the Jewish settlers who violently attacked Israeli soldiers dislodging them from their illegal homes in the much-publicised Israeli 'withdrawal' from Gaza, nor even the disgruntled Zionist who assassinated Israel's Prime Minister a few years ago, were classified or treated as 'security' prisoners at all.

What Palestinians are facing is not the punishment of a few militants; it is the punishment of a whole people because of their ethnic and colonial status. Welcome to apartheid Israeli-style, which some of those who knew apartheid in its original South African form say is even worse.⁽⁴⁾

Prison: a training camp for liberation, but at a price

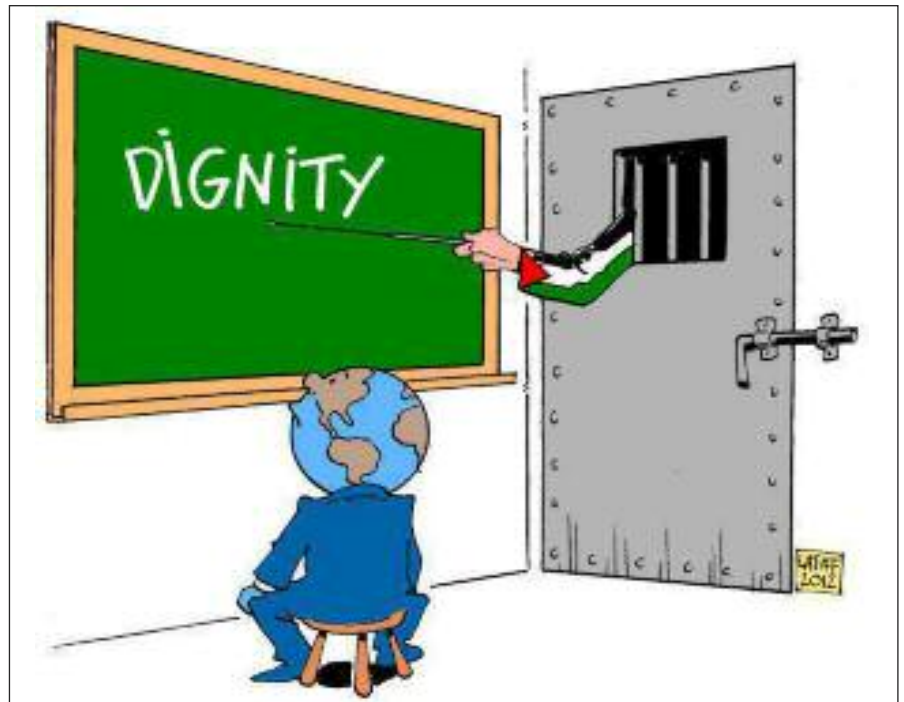
In the history of the Occupation, the prisons into which Israel throws its opponents have their own story to tell. Part of that story is intentionally demoralising and dehumanising.

But despite Israel's worst intentions, locking up Palestinians with other Palestinians has long helped prisoners clarify their political strategy and tactics, and above all the need to unify the struggle.

Prison walls may separate prisoners from their families but are porous to the flow of ideas in and out, and it is a tribute to the prisoners' movement that it has often been their initiatives that have pushed the established political leaderships outside to work more closely together, such as in the National Conciliation Document of the Prisoners, issued on 11 May 2006, which united all five of the main political factions active in the OPT. Until new and still unfolding developments this year, however, that initiative yielded few tangible benefits.

In almost all successful colonial struggles of the past, as now for the Palestinians, prisons serve as apprenticeships for deepening the political understanding of the inmates and strengthening their comradeship and resolve.

But it is not an apprenticeship that anyone would willingly choose, and the part played at any given moment by the prisoners' movement, or by individual prisoners, depends on many factors, from the situation facing the struggle as



a whole, the precise attitude of the prison service or a particular prison, the determination and ability of legal NGOs and international watchdogs to monitor prisoners' conditions, the ability of journalists and activists to mobilise public opinion, and of prisoners themselves to take appropriate forms of resistance.

But to judge from recent evidence, another factor is the success-breeding character of success itself. The efforts of the pro-Israeli lobby to play this down seem to have been less effective than it would have wished, since they did not prevent the issue reaching the mainstream press and perhaps provoked a compensating escalation of solidarity by means of social media.

But we need to keep prisoners' actions in perspective whatever the immediate prospects for other aspects of the liberation struggle and whatever galvanising role the prisoners' movement can play in it. For prisoners, understanding and comradeship are acquired in exceptional but also degrading circumstances, and can only be put fully into practice when those concerned are free to act.

Brave detainees prove that even confinement can be turned to advantage, yet all suffer routine ill-treatment and brutality which some will not survive and which will scar even those who do for the rest of their lives.

The achievements of thousands of political prisoners acting in unity, and of the many courageous individuals jeopardising their lives on extended hunger strike, not only weaken the capacity of Israel to intimidate and punish in the way to which it has become accustomed,

but also foreshadow what free Palestinians might achieve in ending, and in due course transcending, the Occupation itself.

If Israel seeks to intimidate all Palestinians by acquainting them with prison, it cannot prevent them sympathising with their imprisoned relatives, friends and neighbours. In the struggle for Palestinian self-determination, no branch of the nation is overlooked: not the diaspora in the refugee camps or beyond; nor those in the OPT; nor Israel's second-class Palestinian citizens; and nor the political prisoners themselves.

The prisoners' movement and some recent successes

In step with the popular resistance that has developed out of frustration with the inertia of orthodox Palestinian politics, the political prisoners' movement is inclusive and non-sectarian.

According to the Palestinian Centre for Human Rights (17 April 2012), the prisoners' movement has helped bring to wider attention a number of persistent problems in the Israeli prison system, including:

- the subjection of prisoners to 'cruel, inhuman and degrading conditions, denying them access to medical care, constituting medical negligence which has caused deaths; practising methods of torture against them; placing some of them in solitary confinement; depriving them of family visitation; and banning them from receiving academic education, according to a decision issued by the Israeli Prison Service on 20 July 2011';

■ the imprisonment of more than 4,700 Palestinian prisoners, mostly inside Israel, in violation of the Fourth Geneva Convention, particularly Article 76 which stipulates that "protected persons accused of offences shall be detained in the occupied country, and if convicted they shall serve their sentences therein";

■ the administrative detention of 320 prisoners, including 27 Members of the Palestinian Legislative Council and former ministers (under this form of detention Palestinians can be held indefinitely without charge - the Israeli version of British Internment applied against Ireland); and

■ continued deprivation of family visits for at least 475 Palestinian prisoners from Gaza, lasting more than five years and causing deterioration to these prisoners' psychological and health conditions in violation of international human rights law.

Many bodies, including some sympathetic to the Palestinian cause, had earlier voiced concerns about an Israeli soldier, Gilad Shalit, held by a resistance group. While he remained in captivity his case predictably allowed the Israeli government and its apologists to pose in the surprising role of human rights advocates.

Meanwhile, however, Palestinians prisoners had more than enough problems of their own to deal with. On 27 September 2011, after an escalating programme of hunger strikes in several prisons failed to secure improvements to the harsh conditions under which Palestinians were being held, a new hunger strike of unprecedented scale was announced - 'the battle of the empty stomachs' - involving as many as six thousand prisoners, and this attracted powerful local support and international publicity.

This mass action quickly paid off. In mid-October 2011, Shalit was exchanged for over one thousand Palestinian prisoners in a well-publicised deal.

Israel was able to present this as evidence of the lengths to which it was prepared to go to retrieve one of its military, but foreign journalists had little doubt that the Palestinians as a whole got the better bargain when they reported the celebrations in Gaza and the West Bank as the prisoners were united with their families.

So although Shalit's captivity was in one sense a problem for pro-Palestinians, in another sense, above all combined with the mass resistance of Palestinian prisoners themselves, it resulted in a spectacular success. That success, moreover, seems to have kick-started a whole series of successes. ⁽⁵⁾

In April 2012 came the release of West

Bank baker, Kader Adnan, after a record breaking 66-day hunger strike; he had never been charged with any offence by his Israeli captors since his arrest in December 2011.

Then in May 2012 ended one of the largest mass hunger strikes ever organised anywhere. The prisoners' committee representing the hunger strikers announced the concessions won from the Israeli authorities:

■ a promised end to long-term isolation of prisoners for "security" reasons (Israel has been keeping Palestinian prisoners in isolation for up to 10 years);

■ a resumption of family visits; and

■ no new administrative detention orders or renewals of administrative detention orders to be issued for the 308 Palestinians currently in administrative detention, unless the secret files, upon

UK-based British/Danish company Group 4 Security (G4S) helps run checkpoints and prisons where Palestinians are detained without charge or trial for years, where torture is widespread and those dying on hunger strikes are denied their basic rights. G4S has been awarded a big security contract for the London Olympics.

which administrative detention is based, are shown to contain "very serious" information.

At least two prisoners - Bilal Diab and Thaer Halahleh - had gone without food for 77 days, and more than 2,000 more maintained their hunger strike for nearly a full month.

Although activist support was of immense value in adding to the pressure on Israel, most western media ignored the hunger strike until announcing it was over.

This cynical bias - consider the avalanche of publicity given in Europe and north America to the former Israeli prisoner Gilad Shalit, or a temporarily detained dissident artist in China before he was allowed to emigrate to the US - badly needs challenging, along with (as called for by the Palestinian Centre for Human Rights) the activation of Article 2 of the EU-Israel Association Agree-

ment, which provides that both sides must respect human rights as a precondition for economic cooperation between the EU states and Israel.

Why these advances are important

While its concessions were recorded in the world's media, Israel is always looking to claw them back once the fuss has died down.

Adameer, the NGO supporting the prisoners, and some other respected organisers, keep as close a watch as they can on the obviously secretive world of Israel's prisons but one effect of the various hunger strikes and other campaigns is to shine, and keep, a spotlight as never before on how Israel uses this branch of its coercive armoury.

Every campaign brings wider understanding, and every victory paves the way for more. UN Special Rapporteur on Palestinian Human Rights, Prof Richard Falk, writing in Al Jazeera on 12 May 2012, asked 'Is the mass Palestinian prisoner hunger strike the beginning of the Palestinian Spring?'

Similarly Palestinian activist Ramzy Baroud, writing in the Palestine Chronicle on 9 May 2012,⁽⁶⁾ anticipates in the successes of the prisoners' movement a new chapter for the struggle as a whole.

Although the UK Government has expressed concern about Israel's policy of detaining Palestinians without trial, public opinion here has so far been insufficient for ministers to start to apply to Israel the kinds of sanctions which would have been imposed on any other country daring to defy international law as viciously and comprehensively as Israel is doing.

British complicity

In the UK the solidarity movement has special responsibilities towards the Palestinian people and for similar reasons to those taken up by the Anti-Apartheid Movement three decades ago: it was British imperialism that paved the way for South African apartheid and also for Israeli apartheid today.

The Zionist dream of an exclusively Jewish homeland, which could only ever mean the forcible conquest of someone else's territory, had its champion in Lord Balfour, decades before the Nazi holocaust and post-war shifts of empire made it politically expedient.

UK and other companies doing business with Israel often claim they are not complicit in Israel's breaches of international and humanitarian law. But in two circumstances, that argument is especially unconvincing.

The first is where the company aids and abets the establishment or mainte-

nance of illegal Jewish-only settlements on Palestinian land (the main target for campaigns is Veolia). The other is where the company is directly involved in Israel's 'matrix of control' in the OPT.

UK-based British/Danish company Group 4 Security (G4S) helps run checkpoints and prisons where Palestinians are detained without charge or trial for years, where torture is widespread, and where even those dying on hunger strikes are denied their basic rights.

G4S, which has been awarded a big security contract for the London Olympics, held its Annual General Meeting in London in early June, one day after Israel abducted and detained Nabil Al-Raee, the Artistic Director of the West Bank's Jenin Freedom Theatre. Pro-Palestinian activists left company executives and shareholders in little doubt about the outrage aroused by the company profiting from the imprisonment and mistreatment of Palestinians, including detention without trial, at the hands of the Israeli state.

Khader Adnan, Hana Shalabi, Mahmoud al-Sarsak

Especially in the light of the media campaign focused on Gilad Shalit, held captive in Gaza for five years, pro-Palestinian activists around the world occasionally ask if they can publicise the names of some of the vast numbers of Israel's Palestinian political prisoners so the wider public can better understand their predicament.

The prisoners' movement, however, is generally wary of this and for good reasons: the greatest strength of the prisoners' movement is its unity. Once we start singling people out for special attention, that unity is potentially weakened; the prison authorities can victimise or privilege this or that prisoner to sow discord among inmates; Occupation forces can pressure the families of particular prisoners, encouraging discord in their own communities. For activists, such thoughtful explanations helped deepen their own understanding.

But the prisoners' movement is also aware of how solidarity works, and in some circumstances it is judged appropriate to highlight particular cases. As ever, there is a risk of overlooking the prisoners as a whole by focusing too much on one.

But in the cases of Khader Adnan, Hana Shalabi, and, more recently, of Mahmoud al-Sarsak, there was another issue at stake: Israel's use of administrative detention, which has aroused very wide condemnation, even from the British Foreign Office.

Adnan, from near Jenin in the West

Bank, began his hunger strike immediately he was arrested on 18 December 2011; it ended with his release on 21 February 2012; at 66 days this successful protest was the longest hunger strike in Palestinian history.

Hana Shalabi, also from Jenin, was detained without charge for over two years, released in October 2011 as part of the prisoner exchange deal, then kidnapped by Israeli soldiers only a few months later on 16 February 2012. "She was beaten, blindfolded and forcibly strip-searched and assaulted by a male Israeli soldier," the Palestinian Council of Human Rights Organisations said, as reported by Maan news agency on 9 March 2012.⁽⁷⁾

She immediately began a hunger strike which ended only with her release, 43 days later, on 29 March when she was exiled for three years to Gaza.

Sarsak, from Gaza, was arrested three years ago while travelling to join his team-mates in Palestine's national football squad. When he agreed to end it in June 2012, with the promise of release

on 10 July, his own hunger strike had lasted three months, beating Adnan's previous Palestinian record.

Mahmoud al-Sarsak was released on schedule and is now with his family in Gaza. Only time will tell how fully he will recover from his terrible ordeal. In his case, however, there was yet another factor to consider. The world, for better or worse, is hugely interested in football even when it might not care as much as it ought to about Israel's denial of Palestinian human rights.

The campaign to pressure Israel into saving Sarsak's life brought global opinion to bear on a scale never before seen in the prisoners' struggle. For millions, he is undoubtedly the footballer of the year, but it would be better if they can persuade UEFA, the European football federation, to cancel Israel's hosting the under-21s tournament in 2013.

However that turns out, these three cases have been a public relations disaster for Israel. If Palestinians and the solidarity movement keep up the momentum, who knows what can happen?

FOOTNOTES

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4. The third session of the Russell Tribunal on Palestine, Cape Town, November 2011, proceedings and findings available online at <<http://www.russelltribunalonpalestine.com/en/wp-content/uploads/2011/09/RToP-Cape-Town-full-findings2.pdf>>, accessed 10 June 2012; also see Ben White, *Israeli Apartheid: A Beginner's Guide*. London, Pluto Press, 2009.
5. Details of all these campaigns and others currently underway, as well as of other acts of civil disobedience by prisoners and reprisals by the prison authorities, are available online from Addameer, the prisoners' support and human rights association at <addameer.info>. The occasional release of batches of prisoners, although always welcome, does not signal improved conditions for those they leave behind; such conditions - all documented - include routine use of solitary confinement and arbitrary transfer between prisons (which breach the Geneva Conventions), and the selective use of privileges and punishments to further disrupt prisoners' social lives, as well as other - illegal - forms of torture and degrading treatment.
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The Drumbeat of War: Libya and Iraq

By PAT TURNBULL

On 8 June Con Coughlin wrote about Syria in the *Daily Telegraph*. “Part of the explanation for Russia’s perverse attachment to the butchers of Damascus lies in the former Soviet Union’s historic ties to the Syrian Ba’athists, who proved to be a reliable and steadfast ally during the darkest days of the Cold War. While America and its allies had unlimited access to the Mediterranean and the Gulf, the Soviet navy had to rely solely on Syria for its re-supply needs. In addition, the Soviets built a sophisticated listening post at Latakia – a rival to Britain’s eavesdropping base in Cyprus – to enable the Kremlin to keep a watchful eye over its enemies. ...

“... just imagine how the region’s fortunes would be improved if the Assad regime were overthrown and replaced by the first pro-Western government since the overthrow of the Syrian monarchy in the Twenties. Iran’s supply lines to Hizbollah would be cut, thereby denying the militia access to the stockpiles of powerful missiles it uses to threaten Israel. At the same time Russia, the Assads’ only significant ally outside the Middle East, would no longer enjoy its favoured nation status in Syria’s capital and ports.”

This offers some explanation of why Syria is the latest country in the region to hear the drumbeat of war from the west. Iraq and Libya have been previous targets.

Capitalism is an economic system governed by the drive for profit. War has certain functions for such a system. They include conquering new fields and geographical areas where profits can be made; eliminating the forces that hold capitalism back in achieving those aims; and destroying armaments and infrastructure which then have to be replaced.

Oil

Iraq and Libya both have large reserves of oil. Iraq has proven oil reserves of 143.1 billion barrels, the world’s second largest proven oil reserves. Libyan oil reserves are the largest in Africa. In

2010 reserves were 74.6 billion barrels and oil production was 3.1 million barrels a day. Because of its situation, on the north coast of Africa and west of the Suez Canal, Libyan oil is convenient for Europe.

Imperialism needs oil to conduct its wars. Conversely, it conducts wars to obtain oil. Since its discovery in the USA in the mid nineteenth century, oil has been the source of the greatest profits for capitalism.

In 1975, when Anthony Sampson published his study of the oil industry, *The Seven Sisters*, he wrote that the descendants of John D. Rockefeller, the first oil millionaire, had a fortune of \$2 billion, “probably the biggest family fortune in the world.”

In 1973 the profits of Exxon, succes-

During the NATO bombing campaign against Libya in 2011, a French TV channel came up with the slogan: “A third of the NATO attacks against Gaddafi, a third of the oil.”

sor to Rockefeller’s Standard Oil of New Jersey, were \$2.5 billion – as Sampson says, “a world record for any company in history.”

Today the Seven Sisters – seven huge oil companies – have become the six Supermajors, which emerged from a series of mergers between 1998 and 2002.

As of 2007, all were within the top 25 global corporations. Between 2004 and 2007 their profits totalled \$494.8 billion.

ExxonMobil is the largest company in the world by revenue. Royal Dutch Shell is the second largest. BP is the third largest energy company and fourth-largest company in the world by 2011 revenues.

Of the six Supermajors, Chevron, ExxonMobil and Conoco Phillips are based in the USA, BP in the UK, Royal

Dutch Shell jointly in the Netherlands and the UK, and Total S.A. in France.

Before the oil crisis of 1973, the members of the Seven Sisters controlled around 85% of the world’s oil reserves. Now the Supermajors control around 6% of global oil and gas reserves (although they control the world oil markets in other ways).

Wikipedia says: “ExxonMobil, like other oil companies, is struggling to find new sources of oil.”

What better way than to repossess some of the “88% of global oil and gas reserves [that] are controlled by OPEC [Organisation of Petroleum Exporting Countries] and state-owned oil companies?”

During the NATO bombing campaign against Libya in 2011, a French TV channel came up with the slogan: “A third of the NATO attacks against Gaddafi, a third of the oil.”

Gaddafi’s Libya

From the moment Gaddafi and his fellow army officers seized power in Libya on September 1, 1969, he was a thorn in the flesh of the oil companies.

By 1969 Libya was supplying a quarter of Western Europe’s oil. The new leaders of Libya knew they were being cheated by the price the oil companies were paying – especially in view of the reduced transport costs of Libyan oil to Europe.

By clever manoeuvring with the different oil companies – and at one point a stop on all oil deliveries to Shell – the Libyans forced the price up. This had a knock-on effect on the prices for the rest of the OPEC countries in the Middle East as well – not popular with the oil companies.

The nationalisation of Libya’s natural resources was announced at the beginning of 1971. BP’s oilfields were nationalised; so were those of the American Oasis companies.

The Gaddafi government took other measures displeasing to imperialism.

The British military bases in Libya were liquidated in March 1970 and the evacuation of the huge US Wheelus Field base was completed in June of the

same year. The removal of the imperialist military bases was a historic step towards strengthening the independence and sovereignty of all the North African Maghreb countries, former British and French colonies and neo-colonies.

Libya had been an Italian colony before the First World War. The Libyan government expropriated 38,800 hectares of cultivated lands from the remaining 575 Italian colonists and gave it to peasants in 10-hectare allotments.

Gaddafi's government used the oil revenues to raise the standard of living of ordinary Libyans. Libya has a population of 6.4 million people.

In 2009 Libya had the highest human development index in Africa, and the fifth highest per capita income. This had been achieved without borrowing any foreign loans, keeping Libya debt-free. Imperialism likes to tie countries to debt with enormous interest payments draining the countries' resources and keeping them dependent.

Literacy had risen from 10% to 90%. Life expectancy had rise from 57 to 77 years. There were equal rights for women, free education, free healthcare and financial assistance for housing.

Iraq

Iraq, with its second highest proven oil reserves in the world, has a population, on April 2009 estimates, of 31,234,000. Iraq, like Iran, was constantly pushing in OPEC for better oil prices, to be able to raise the living standards of its large population.

Saudi Arabia and the tiny enclaves round it ruled by Emirs and Sheikhs could afford to pander to imperialism – on which they largely relied for their continued rule – in agreeing to lower prices. Ruling their small populations in dictatorial style, they had more than enough wealth to allow a super-luxurious lifestyle for their tiny elites.

When the Ottoman Empire was broken up after the First World War, Britain was granted the mandate over Iraq. This was modified in 1930 into a 'treaty of friendship and alliance', which was subsequently nominally revoked; but Britain still controlled the Iraqi army, air bases and strategic communication lines.

But on July 14, 1958, following a wave of popular unrest, the Free Officers, a secret organization in the army, seized power and formed a government headed by General Abdal-Karim Kassem.

In 1961 General Kassem took measures to recover control of vast unexploited oil concessions. In June 1972 Iraq nationalised the British oil interests predominant in the country. On April 9 1972 Iraq signed a Treaty of Friendship



Circa 1970s: President of Iraq, Saddam Hussein



2003: Saddam Hussein after his capture by US soldiers.

and Co-operation with the USSR – cooperation to develop the national oil industry and strengthen defence capability.

From 1963 to 1979 there were a series of coups and counter-coups in Iraq, with the US pulling the strings. The right wing of the Ba'ath Party gained control, and in 1979 Saddam Hussein took power as Iraqi President. At the time the USA regarded him as their ally.

From 1980 until now, Iraq's people have suffered an endless series of disasters. From 1980 to 1988 more than a million people died in the Iran-Iraq War, fostered by US imperialism to 'contain' these two large countries where the people had a tradition of struggle, and by the arms manufacturers to make handsome profits.

In 1989 the US, worried that its ally, with one of the largest armed forces in Western Asia at the time, might change sides and threaten US chief ally Israel in particular, redrafted War Plan 1002 (which had been against the Soviet Union) to become War Plan 1002-90, with Iraq as its main threat. The world balance of forces had changed with the success of the counter-revolution in the Soviet Union. The US no longer needed this particular ally.

Iraq's economy depended on its oil income. Kuwait, a tiny oil-rich state deliberately cut off from Iraq by the British in 1921, was over-producing oil and thus lowering the price, depriving Iraq of vital income. In 1990 Iraq invaded Kuwait – encouraged, it is believed, by the US.

When Iraq invaded Kuwait, the United Nations imposed sanctions on Iraq. This was disastrous; Iraq imported 70% of its food. By December 1990 the infant mortality rate in Iraq had doubled.

In January 1991 the UN Security Council authorised military action against Iraq. Wikipedia says: "The United States, which had enormous

vested interests in the oil supplies of the Persian Gulf region, led an international coalition into Kuwait and Iraq."

The 1991 attack on Saddam's forces lasted 42 days with 2,000 sorties a day against Iraq's armies and air force. On February 23 the ground assault began. On February 28, Iraq and the US agreed a cease-fire. But that was not the end of the war. On March 2, 1991, thousands of Iraqi soldiers were destroyed by the American 24th Mechanized Infantry.

Throughout the 1990s American combat aircraft attacked Iraq's air defence installations.

From 1991 to 1998 arms inspection teams in Iraq destroyed all aspects of Iraq's chemical, nuclear and biological programmes. 90-95% of its 'mass destruction' capability (a term never used of the weaponry of the US, Britain and France) was eliminated. This was confirmed at the time by UN Weapons Inspector Scott Ritter.

But even this was not enough. In October 1998, US President Clinton signed the Iraq Liberation Act, calling for 'regime change' in Iraq. The first CIA team entered Iraq on July 10, 2002, and, as Wikipedia puts it, 'prepared the battle space of the entire country for conventional US military forces'.

On March 20, 2003, a US-organized coalition invaded Iraq, with the stated reason that Iraq had failed to abandon its nuclear and chemical weapons programme in violation of UN Resolution 687.

On December 30, 2006, Saddam Hussein was hanged.

More than a million Iraqis have died – 90% of them civilians.

Iraq today

Where is Iraq now? On 5 June 2012 the *Daily Telegraph* carried an article 'Basra rises from the ruins of Saddam's reign'.

We read: “New bridges are being built across the river. Five-star hotels have opened. The mullahs who run the city speak enthusiastically of the benefits ‘petrodollars’ will deliver.”

Sheikh Ahmed al-Sulait, the deputy speaker of the provincial parliament said “...We will have splendid palaces of spas and five-star hotels. We are already building bridges across the river, a sports city and a resort island. With oil, ports and railways, Basra can be the economic capital of Iraq.”

The *Daily Telegraph* continues, “... Basra produces more than four fifths of the 2.5 million barrels a day of crude oil from Iraq. The city has poor relations with the Baghdad government, but it has secured a deal to take a dollar from every barrel for its reconstruction.

“... An influx of foreigners is already under way but it is predominantly engineers and technicians who head straight for the oilfields from the airport.”

Royal Dutch Shell and BP are among the biggest investors and each employs hundreds of workers.

One foreign executive based in the city centre worries the boom could benefit a tiny elite, “‘The main problem we face today is that Basra has many plans but nothing for the huge numbers of unemployed in their twenties.’

“Karim al-Tamimi, the leader of the city’s largest political faction, said, ‘The pressure from the streets for jobs, housing and electricity after decades of deprivation was opening it to the world. The frustration is still for local Basra people that they are not getting the fruits of their oil wealth. Lots of people have bad memories of the British occupation but that time is gone.’”

Libya today

Throughout the 1980s, Libya - which described itself in a 1987 pamphlet as the “small, peaceful Libyan people,” - was subject to military provocations by the US, and embargos by the US on exports to Libya.

On 4 December 1984, US magazine *Newsweek* disclosed a plot by the Reagan administration to overthrow the Libyan regime.

In 1985 the US prohibited the import of all Libyan oil products.

On 15 April 1986, at 2 a.m., American warplanes carried out air-strikes against civilian targets in Tripoli and Benghazi, including residential areas, hospitals, mosques, and several foreign embassies. The bombing caused many civilian deaths, including that of Colonel Gaddafi’s little adopted daughter.

The aim was to assassinate the Colonel himself.



1969: Leader of the Libyan Revolution, Muammar al-Gaddafi (left) with the President of Egypt, Gamal Abdel Nasser.



2011: The inside of Gaddafi’s presidential residence after it was bombed by British and French war planes. Gaddafi was captured and murdered on 21 October 2011.

In the 1990s the United Nations put Libya under sanctions, blaming it for the Lockerbie bombing.

In the 2000s Gaddafi attempted to come to some kind of normalisation of relations with the Western powers, including abandoning his nuclear programme and any ‘weapons of mass destruction’.

All to no avail. We come to 2011.

Using the opportunity created by the so-called ‘Arab spring’, the imperialists and their allies in the Gulf states, particularly Qatar, fomented rebellion against Gaddafi and using it as an excuse, got the UN Security Council to implement a ‘no-fly zone’ - in reality, what became a seven-month NATO bombing campaign with Britain and France playing the leading role. It ended only when Gaddafi was captured and murdered, on 21st October 2011.

Libya is now no longer a real state, but a collection of warring armed bands. Associated Press wrote on 6th June: “Violence and disorder has plagued Libya since Gaddafi was captured and killed ... The transitional leadership based in the capital of Tripoli has failed to impose its authority on much of the oil-rich North African nation ...”

The *Daily Telegraph* wrote in October last year that 25,000 people died in the seven months of the NATO bombing - probably a conservative estimate.

Who gains from these brutal wars?

During the Iran-Iraq War, Iraq became the world’s largest single importer of weapons. Swedish peace institute SIPRI reckoned Iraq spent \$80 billion on weapons between 1980 and 1990.

On 23rd March 2011 Thomas Harding wrote in the *Daily Telegraph*, right at

the beginning of the seven-month bombing campaign against Libya: “The cost of the 4-day operation to date is £28.5 million ...

“The cost of putting four Tornado GR4 bombers, three Eurofighter Typhoons plus support aircraft into action is an estimated £3,216,000 a day. The Tornado costs £33,000 an hour to operate, including fuel, capital costs and crew training and the Typhoon costs £80,000 an hour. The Storm Shadow missiles and submarine-launched Tomahawks cost £1.1 million and £800,000 each...”

Handsome profits for some.

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Secret Safari: gun running for the ANC

As a youth I was a peace activist. I reached adolescence in the early 1980s as the “Task Force” set off for the Falkland Islands and a wave of nationalist hysteria swept through the United Kingdom.

STUART ROUND tells his own remarkable and personal story in the fight against apartheid.

A year or so later, at around 6am one bright summer’s morning in the sleepy Midlands backwater of Nuneaton where I lived, I was awoken by the shrill wailing of a nuclear air raid siren – a malfunction of a failsafe had turned a system test into an actual alarm.

The shock of facing what I expected to be sudden and total annihilation also woke me to the stark reality that we were living on the edge of an apocalyptic precipice.

This was the peak of the Cold War; when Ronald Reagan and Maggie Thatcher were the self styled leaders of the “free world”. Free for whom to do what was never clearly stated. Freedom is a broad concept, by definition it implies a negative, an absence of something restrictive.

It is also fraught with contradictions; freedom for one can often adversely impact on the freedom of another. Given the support for fascist dictatorships, repressive monarchies, violent insurgencies and all-out war around the globe it was hard to see exactly what freedoms the “free world” truly supported ... most apparent was the freedom for corporate entities to harvest natural resources and human labour, and again to access markets for the sale of the resultant products.

That was the one common denominator that united all of the causes supported by Reagan and Thatcher; their concept of freedom certainly did not seem to extend to the people of Chile, Indonesia, Saudi Arabia, Palestine or South Africa, in whose well-being they had no vested economic interest.

In 1987, during a Commonwealth summit in Vancouver Thatcher famously referred to the ANC as a “typical terrorist organisation”, she was

The film, *The Secret Safari*, is based on Stuart Round’s and others’ stories. It was directed by Tom Zubrycki and released in 2001. It won the Documentary of the Year award at the Sydney Film Festival.

Stuart contributed a chapter, “Africa Hinterland” to the recently published book, *London Recruits*. The book comprises chapters by some of those who assisted the underground work of the African National Congress in South Africa.

London Recruits: the secret war against apartheid, edited by **Ken Keable**, pub. **Merlin Press, 2012.**

wrong of course; there was nothing “typical” about the ANC - and I have yet to hear any definition of terrorism that clearly separates it from the kind of acts which have been pivotal in our own history and that of the West in general.

The levelling of cities like Dresden and Hiroshima were deliberate attacks on civilian targets, were carefully calculated to coerce through fear and killed many thousands of innocent people.

Terrorism

Terrorism cannot easily be defined as any single kind of political ideology, philosophical outlook or moral standpoint.

The modern concept of terrorism was born in Palestine during the mid 1940s as the chosen means of Zionist nationalists to drive the British from Palestine – reaching a successful conclusion in

1948 when British forces withdrew and the state of Israel was born.

Certainly, there is little to compare politically between the Irgun and the ANC, the only similarity being their desire to attack an enemy possessing overwhelming military superiority, and this has continued to be the common factor between some exceedingly diverse political and religious groups who have since adopted the terrorist method.

From a purely military perspective, insurgency has some clear advantages where an open confrontation would inevitably result in rapid defeat; terrorism has evolved as a strategic response to a technology gap which would otherwise render a conventional attack against superior forces futile. To claim any further similarity between organisations that have employed this strategy would be meaningless.

Military tactics are rarely influenced by moral constraints; the concept of “area bombing” was devised as a solution to the problem of hitting any target with accuracy using 1940s technology.

The introduction of “smart bombs” today has rendered that concept obsolete, although the claim that targets can now be hit with pinpoint accuracy is something of a myth; the opening salvo of the Iraq war missed its target and killed a family while they slept in their beds.

The “surgical strike”, however, continues to be marketed in an attempt to sanitise war and to promote the more regular use of military interventions around the world; and innocent people continue to be killed with monotonous regularity as a direct consequence. There is no such thing as a “clean” war.

I first became aware of terrorism when I was very young, during the bombing campaigns of the IRA on the British mainland during the 1970s. It didn’t impact on my life very dramatically, but I knew it was happening and that the people doing it were bad.

I’ve since come to view that situation a little differently; concluding that however badly expressed, Irish Republicans had serious and legitimate grievances with the British state.

Many people in the ANC and the IRA alike saw striking historical parallels between their struggles - although I have to wonder whether the IRA's campaign of violence did more to retard their struggle than to advance it; and at how the ANC succeeded in building exceedingly strong links with the British labour movement and wider progressive public, whilst the IRA, despite their proximity, singularly failed to gain mass support within the UK.

Unquestionably, it's a dangerous tactic to employ; one that can easily, both figuratively and literally, blow up in your face. Equally, it's a difficult and sensitive subject to discuss and is for many a subject on which it is impossible to engage rationally.

It is perhaps odd though that some of those most vocal in their condemnation of terrorism - like Maggie Thatcher in her day and more recently the likes of George W Bush and Tony Blair - are the same people who appear keenest to engage in war.

I would have thought it startlingly obvious that whatever the cause, right or left, right or wrong, there is no discernible difference between a body blown apart by a terrorist bomb or one blown apart by more conventional means, whether deliberately or by mistake.

The only difference is the delivery system, and to me that seems a precarious perch on which to hang one's moral integrity. If that appears to be an attempt to legitimize terrorism please make no mistake, it's rather an attempt to de-legitimize war.

Patriotism

I was brought up to be very patriotic, to believe without ever consciously questioning the fact that anything British was inherently superior and that Britain's rightful place was first in the world.

Nationalism is both subtle and pernicious, invading almost every conscious thought and attitude, masking glaring contradictions and double standards and providing a fertile breeding ground for all kinds of racism and xenophobia.

It is easy to see how such thinking evolved, and how for much of human history such beliefs would have been a distinct advantage in creating social cohesion; cultivating at the same time compassion for one's "own" and a callous brutality towards one's competitors for whatever limited resources were available.

It's difficult to pinpoint precisely when my world view began to break down, or why, but it had something to do with discovering the real history of the country I



had been taught to be so proud of and the horror at realising that it was constructed on the blood, sweat and tears of millions of people who had the misfortune to fall under the British imperial boot.

The irony of course is that at the very peak of the Empire around 5 million Britons were forced to emigrate or face starvation as cheaper imports from the Empire destroyed indigenous livelihoods, conveniently providing a constant stream of colonialists to populate the newly conquered lands.

Such is the power of the nationalist mentality though that such facts have little impact on the average Briton, who as we have seen, even very recently, still exhibit considerable pride in the reflected glory of their ruling class, despite whatever consequences may have befallen our own actual ancestors or other innocent people along the way.

There is a psychological term called "transference" which states that people hate most in others that which they hate most about themselves, and when I look at the way Adolf Hitler is used as a personification of all things evil in the UK today I can't help but find irony in the fact that he modelled so many of his ideas on the British Empire and adopted so many of its attitudes and practices.

All of the main features were there, from the belief in the absolute superiority of one's own people all the way to concentration camps, Britain led the way.

Just as Germany's concentration camps had given a massive boost to the extremist nationalism manifest in Israeli Zionism so in South Africa had British concentration camps helped to shape the national character of the Boers.

In the very same year that Israel came into existence so too in South Africa the system of apartheid was born. For people that had been so victimised and persecuted I suppose it seemed very natural to want to ensure no such thing would ever be possible again - perhaps not fully realising (or caring) that to ensure primacy of one's own people would necessarily involve maintaining an inverse position for everyone else.

For me, as a youth experiencing something of a political epiphany the constant stream of images from South African townships on the nightly news had a significant impact; not only provoking anger and outrage at such blatant injustice but also mounting a serious challenge to my rather idealistic notions of pacifism and non violence.

A common response amongst my peers was to start quoting Gandhi, but as much as he deserves great respect for his challenge to British imperialism he rather dramatically loses credibility when one examines much of what he had to say about South Africa.

His main bone of contention with apartheid during his sojourn there appears to have been that Indian people deserved higher status than Africans on the strength of their levels of education and sophistication; that this qualified them alone for greater equality with whites.

Passive resistance may well have eventually pricked the conscience of the British public, but there was no evidence of any such inhibitions in South Africa during the 1980s where many actively supported "putting the Africans in their place" and seriously believed that African people were actually sub-human.

Every avenue of peaceful protest, from writing an outraged letter to the press to demonstrating in the streets, striking, leafleting, occupying government buildings, or organising political resistance were confronted by the state with brute force. Activists were arrested and detained without trial, many were tortured and some were killed.

South Africa was also engaged in wars in Angola and Mozambique, illegally occupied Namibia, and made regular incursions into Zimbabwe and Zambia to attack ANC bases or to assassinate key personnel. In short, all of the traditional "legitimate" methods of political struggle were firmly denied, leaving only one solution; armed struggle.

To preach to those fighting apartheid how they should or shouldn't resist seemed to be an indulgence only those not actually facing it could comfortably afford; allowing for a clear conscience, but actually undermining the efforts of those facing the full coercive force of the state – a thoroughly useless and self-serving position to adopt.

For all practical purposes though, this was a largely academic discussion; the struggle continued regardless and neither my opinion nor those of my friends were of any consequence.

No doubt things would have remained that way too, had one evening I not been asked if I would be willing to go abroad to put myself at the service of a revolutionary struggle.

Recruitment

As young as I was, at just 19 years old, this was certainly the kind of opportunity I'd been hoping for; it was a chance to make some kind of difference in the world and of course presented a personal challenge through which I could test my own abilities and strength of conviction.

That said, it also involved a great deal of personal risk and a reasonable probability of dying. I can't say that this did not worry me, but at the same time I was determined that whatever decision I came to would not be made through fear.

Throughout history oppressive right wing regimes have relied on intimidation to deter opposition, but I refused to be defeated before I'd even begun. Likewise, whenever any tyrannical regime had been challenged in the past it had required that people stand up and be counted in spite of the risks, and in-

evitably this would involve taking some casualties.

The project I was to be recruited for was designed to address a particular weakness in the chain of resistance – the problem of getting weapons into the country in sufficient numbers to equip a people's army for an uprising and eventual revolution. This had proven to be extremely difficult, and many comrades had been lost in the process. The usual methods of building compartments into car boots or petrol tanks had been too easy to detect; and any contamination of the body of the vehicle with explosives or other materials made them easy prey for the sniffer dogs. The penalty, if caught, was death.

The Safari Company

A safari company called "Africa Hinterland" had been set up in London and was already advertising to fill the first 7 week trip from Nairobi, Kenya to Cape Town in South Africa.

The vehicle (pictured) was being custom built on a farm near Ipswich by Rodney Wilkinson; the gifted and brilliant, if perhaps slightly eccentric designer, who had come up with the idea of building secret compartments into an overland truck, filling it with unsuspecting passengers who would sit atop a tonne of concealed weapons, and then driving it into South Africa.

Whilst the morality of all this may have been debateable, the necessity for it was beyond any doubt. Today, it may seem as if I'm over-emphasising this point; but at the time these events occurred it was very much an issue.

The elevation of Nelson Mandela to an almost saintly position has done much

to retrospectively sanitise the struggle against apartheid. However, regardless of how undeniably repulsive the system of apartheid was, or however justified the case for violence, war is always a serious, messy and disgusting business. Hollywood, historians, politicians and anyone else may wish to glorify war, but the reality is nothing like that.

Similarly, it may be very easy to dehumanize the defenders of apartheid and cast them in the role of monsters, or even to condemn those who simply stood by and did nothing whilst enjoying the advantages it gave them; nevertheless, these were people too.

I didn't trade in my nationalism simply to swap it for a different "groupthink" mentality or to replace the dehumanisation of foreigners with that of my political opponents.

Indeed, when I first arrived in South Africa this was something that struck me very clearly. I had expected to find white South Africans to be vile and nasty people, but the reality was rather different. Most were very warm and welcoming, generous and kind; in many ways no different from the people back home.

However, also like rather too many of the people back home those qualities had a tendency to suddenly vanish once the issue of race was raised. The rationalisations were many and varied; some were religious, others based on a sense of persecution – convinced that without apartheid white people would be wiped out of existence.

Then there was the paternalism; the belief that without the benevolent guidance and control of Europeans that Africans would be unable to govern themselves and certainly unable to ever run the country that "white people had built".

The truth of course was that the vast majority of the labour in South Africa had been supplied by black people, from mining to construction and even to raising the children of these over-privileged whites (often at the expense of their own children).

One of the most damaging aspects of the apartheid regime though was the denial of education to the "non white" population, creating something of a self fulfilling prophecy in ensuring the unequal skill levels between communities.

The loss of human potential, whilst less remarkable than some of the more obvious violence done to the people of South Africa during these years still today presents a real challenge to redress. Whole generations have been lost, and organised intervention is required to break the cycle of inter-generational poverty that this system created.



After a brief but intense training programme – including driving a truck around an empty airfield – I finally found myself in Nairobi on board the truck. For the first trip I was given the role of an observer whilst another comrade drove. I was instructed to look out for potential spies on board, and to report my findings when we arrived in Lusaka.

Spies

There was a particular Australian passenger whom I slowly became aware was ticking all of the boxes I had been trained to look out for; he had a military bearing, claimed to be a photographer, showed obvious signs of racism and was clearly very right wing.

One evening over some beers he began to brag about how he had once held a Mauser that had belonged to a member of the Waffen SS.

I caught him a few times checking out the structure of the vehicle; and on one occasion he suggested that the lockers on one side were deeper than the other as he couldn't fit his tent in – I quickly discovered and pointed out that the tent pegs had fallen to the bottom of the bag, once removed it fitted in neatly.

Despite getting bogged in some rather deep holes in some rather remote places, the wild animals, treacherous roads, breakdowns, borders and military check points we eventually arrived in Lusaka and, contact made, I attended some hurried clandestine meetings to discuss my findings.

I was a little disconcerted to find a new face in command who seemed not fully familiar with our operation; the previous head of the ANC's Ordnance Section, Casius Maake, having recently been assassinated by the apartheid state during a trip to Swaziland.

The initial suggestion was to “disappear” this character; had I any lingering doubts about the nature of the world in which I was now operating, those doubts also disappeared at this point.

Not only was I not certain beyond a reasonable doubt that he was in fact a spy, neither was I convinced that if he was that was the best way to deal with him. Surely, his disappearance would confirm any suspicions his superiors would have had and most certainly bring us under much closer scrutiny? So, I argued against this, and won the day.

We then set off for Victoria Falls with the intention of spending a couple of days there before heading into Botswana and then to cross the border into South Africa. However, this was not to be.

The Soviet Embassy in Harare had intercepted radio traffic from South Africa



alerting the border posts to the arrival of a truck matching our description.

The trip was cancelled. Using the excuse that the volatile situation in the region was making the directors nervous about getting the truck back North (Tanzania had sanctions against South Africa which caused us many problems, requiring the use of dual passports and vehicle Carnets) refunds were made and the passengers carried on by other means.

This was incredibly disappointing, so much effort gone to waste with no certainty that we would ever be able to resume the mission. I travelled into South Africa alone, which at least gave me an opportunity to see the place and acclimatise myself to it.

After a few weeks, and once a dummy vehicle fitted out in similar colours had successfully traversed the border we felt confident enough to try again.

This time I was to wait for the vehicle

in Cape Town; the driver still did not know of my involvement and it was important that whoever was driving the truck through the border had no knowledge of where the actual delivery was to be, or who would supply this information. So, almost two weeks late the truck eventually arrived and we made our rendezvous.

The “drop”

On a remote corner of a campsite we transferred the boxes into a van, then using a car as a scout vehicle made our way to the “drop”.

The van was fitted with a bumper sticker and a soft toy hanging from the rear view mirror to identify it to the person receiving, and with the key stowed in a magnetic box under the wheel arch we made ourselves scarce.

It was a long wait; the nervous tension was palpable between the two of us. We went for a meal, but it was a bit too rem-

iniscient of a “last supper” to be truly appetising, and kicked our heels until eventually the clock ticked round to the appointed time and we returned to collect the now empty van.

We drove past it a few times, we sat and watched it; nothing happened. There was nothing else for it but to approach, and sure enough there were no sirens, no flashing lights, no gunshots ringing out in the darkness; we just picked up the van and drove away.

The sense of relief was not complete until my flight out of Johannesburg left South African airspace, but then, finally, I could relax. We’d done it!

Alone

Having now revealed myself to the driver we had planned to drive the next safari together, but events conspired against this and suddenly I found myself, now just 20 years old, facing the prospect of driving 16 passengers 7,000 miles through Africa alone.

However scary the delivery of the weapons was, in terms of logistics and stamina this was certainly a greater challenge. Mannie Brown, the head of the “London Traders” committee who ran things from London expressed great confidence in me, which was very reassuring, but still this seemed like an awfully huge task.

It was too; driving up to 18 hours a day, maintaining the vehicle (learning how as I went along), finding my way around the cities and through the bustling traffic in a 10 tonne truck, navigating through game parks (pictured across) and staying to schedule, keeping my passengers healthy and above all, happy. It was a tough challenge; I have never worked so hard in my life, been so stressed or felt so completely out of my depth as I did in those first few weeks.

However, eventually we did make it once more to Lusaka. I was actually on time. Things were coming together and my confidence was steadily growing, and gradually I realised that in fact I was having the time of my life.

For all of the danger and risk I was doing something extremely worthwhile; every day was a new challenge, but I was learning to roll with the punches and beginning to feel that I could and would cope with whatever life threw at me.

A week later I faced my first border crossing. It was like a wall looming in front of me beyond which I couldn’t see. All of my future hopes and dreams hung in the balance and I had no way of knowing how the dice would fall.

I simply immersed myself in the role I was playing, did all I could to forget about the 32 AK47s, the limpet mines,

the hand grenades, the pistols and ammunition, and the cans of TNT and acted for all my life was worth. That time, it was an easy crossing, not all were quite so straightforward. Still, I guess you have to be quite convincing for a border guard to believe you over his sniffer dog when it tells him there are guns on board!

So, we finally approached Cape Town and now joined by my comrade we again went through the motions of the delivery, the stress, the waiting, and the eventual elation at a job complete. Watching the border disappear in your rear view mirrors as you drive out of South Africa after an experience like that is really quite something; tinged as it is with the nagging knowledge that before long, you’ll be back there to do it all again.

Five years

The Africa Hinterland operation continued all the way up until 1994, transporting in total around 40 tonnes of small arms. I took my leave in 1991 after five years, older, wiser - damaged, perhaps. New drivers were trained and took over running the operation, and did an excellent job.

Had any of us been caught things would have gone badly, of that I’m quite sure. The passengers would have been fine, they were clearly innocent and knew nothing of what they were helping to conceal.

Whilst I didn’t entertain any fantasies that the British government would lift a finger to help us (and neither did I desire it), and knowing that Amnesty International would not help those involved in military activity the one comfort was that the Anti-Apartheid Movement had grown enormously popular and would not balk at rallying international support.

That the revolution didn’t come is a matter of history; personally, I was relieved. I had no desire to see the country torn apart and destroyed by civil war. Some of our weapons were used; others were hidden for later use and then returned.

Certainly, their presence was noticed and helped to convince the state that to continue as they were would be to risk eventually losing everything. So, we helped to take some lives, but hopefully saved many more.

Not all South Africans were so happy at how things turned out; and the debate still continues as to whether the changes in South Africa were far reaching or systemic enough.

Many millions of people still suffer in dire poverty, and still await the new dawn they were promised. Apartheid is over, but inequality remains and will take generations to redress.

South Africa today remains a mixture of first world and third world, and as such is a microcosm of the whole world all in one country. I am still proud of what we helped to achieve, and that it was relatively peaceful.

Not everyone will agree with what we did. That’s fine, they don’t have to. The morality in any situation involving conflict and violence can be debated; it’s not a desirable situation to be forced into. It was certainly never something the people of South Africa chose; that was pretty much the whole point.

For myself, I remain satisfied that what we did was necessary, that it made a difference, and that in standing side by side with oppressed South Africans and taking the same risks that they did we did our utmost to show our international solidarity and commitment to the principles of equal rights and justice.



Once the HQ of the armed wing of the ANC, Lilliesleaf museum, Rivonia now exhibits the gun-running truck.

A window into the British monarchy

As the Diamond Jubilee celebrations of Queen Elizabeth II continue it is appropriate to consider the continuity between medieval monarchy and the present monarchy as evidenced by the British Library exhibition entitled “Royal Manuscripts: The Genius of Illumination” held between November 2011 and March 2012.

By **SARAH STEPHENSON**

In the last edition of *The Socialist Correspondent* the themes of the church and education were addressed, in this article the remaining themes of royal identity and international relations will be analysed. Consideration will also be given to the funding of the monarchy today.

ROYAL IDENTITIES IN MEDIEVAL TIMES

Illuminated manuscripts facilitated kings in shaping their identities as dynast, crowned king, law-giver, supreme military commander and arbiter of chivalric conduct and courtly taste.

Lavishly illustrated genealogies (see Image 1) were used to legitimise and promote royal power. Viking invasions, the Norman Conquest, Lancastrian and Yorkist usurpations and the Tudors’ victory in the Wars of the Roses all disrupted dynastic continuity in England.



IMAGE 1
Genealogy of William the Conqueror
From the “Genealogical Chronicle of English Kings”: published in England (? East Anglia), c1300-07.

Genealogy, heraldry, legend and political prophecy were used to sanction these shifts of power.

Royal status and identity were expressed and sustained by rituals and ceremonies with the coronation being the most critical.

Innumerable images of coronations were included in chronicles and royal documents to commemorate particular events and as symbols of royal power.

The use of the king’s image in books owned by his subjects expressed their loyalty to the monarchy. In the case of legal compilations or statutes these images provide confirmation of royal authority over the law.

The king’s role as the military leader as shown in military treatises was also a part of his royal identity. English monarchs shared with the rest of the nobility the chivalric values and concepts of courtesy that were both shaped by the literature of knightly instruction and by romances in French (see Image 2), the elitist language

of court, and embodied in the records of the elite chivalric order, the Order of the Garter founded by Edward III in 1348 (see Image 3 across).

ROYAL IDENTITIES TODAY

Dynastically the Queen is head of the House of Windsor, the name of the royal house since 1917 and confirmed by the Queen after her accession to the throne in 1952. Usually the names of dynasties changed when the line of succession was taken by a rival faction within the family (e.g. Edward IV and the Yorkists, Henry VII and the Tudors) or when succession

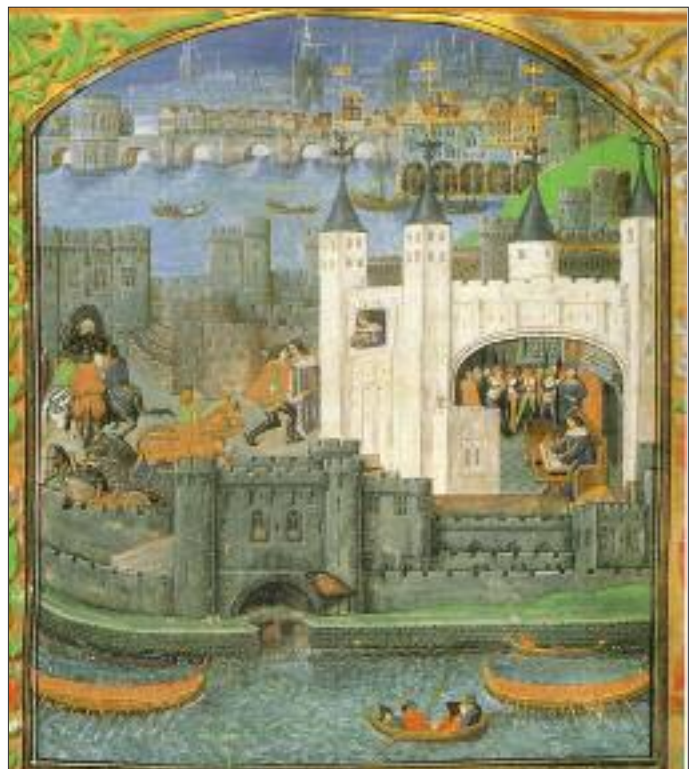


IMAGE 2
Charles of Orleans in the Tower of London
From “Charles of Orleans, Poems; with other Texts relating to Love and Princely Instruction”: published in Bruges and London (?) c 1483; c1492-c1500.

passed to a different family branch through the female line (e.g. James I and the Stuarts, George I and the Hanoverians).

However, the Queen’s grandfather,

George V, changed the name due to anti-German sentiment and fear of revolution. George V was from the House of Saxe-Coburg-Gotha, a German ducal family, by virtue of his descent from Albert, Prince Consort of Queen Victoria.

Anti-German feeling reached a peak during World War I in March 1917 when the "Gotha G.V", a German heavy aircraft, began bombing London directly. These bombings coincided with the abdication of the King's first cousin, Nicholas II, Tsar of Russia, on 15th March 1917, which raised the spectre of the abolition of all European monarchs.

The Tsar sought refuge in Britain and this was approved by the government but George V overruled the offer of asylum worried that it would provoke an uprising. These events convinced the King to abandon all titles held under the German crown, and to change the family name and the name of the house to Windsor, a name long associated with the royal family through Windsor Castle.

Prince Philip of Greece and Denmark was a member of the House of Schleswig-Holstein-Sonderburg-Glücksburg, a branch of the north German House of Oldenburg, the rulers of Greece, Denmark, Norway and Russia.

Before his marriage to the then Princess Elizabeth he adopted the surname Mountbatten, which his maternal grandparents had taken in 1917, converted from Greek orthodoxy to Anglicanism, renounced his Greek and Danish titles and became a naturalised British citizen.

None of his three sisters attended his wedding in 1947 due to their husbands being German: his fourth sister had previously died in a plane crash, both she and her German husband were members of the Nazi Party. The Queen and Prince Philip decided that they would like their own direct descendants to be known by the surname Mountbatten-Windsor and this was ratified by an Order in Council issued in 1960.

The Queen's royal status and identity were confirmed through the ritual of the coronation ceremony on 2nd June 1953 (see Image 4 on next page).

The ceremony followed a similar pattern to that of previous monarchs being held in Westminster Abbey and involving the peerage, clergy and significant political guests totalling a congregation of 7000 people.

Elizabeth's white silk gown was commissioned from Norman Hartnell, the top designer of the day, and was embroidered, on her instructions, with the floral emblems of the-then Commonwealth countries: English Tudor rose, Scots thistle, Welsh leek, Irish shamrock, Australian wattle, Canadian maple leaf, New Zealand



IMAGE 3

Edward III, founder of the Order of the Garter

From William Bruges's "Garter Book" published in London c1430-45.

fern, South African protea, two lotus flowers for India and Ceylon and Pakistan's wheat, cotton and jute. In spite of Prime Minister Churchill's disapproval the Queen insisted on the coronation (with the exception of the anointing and communion) being televised by the BBC for the first time making it the first major international event to be broadcast. It attracted more than twenty million British viewers and just under a hundred million viewers in North America and was broadcast in 44 languages. This promotion of royalty via the media continues to be maintained with last year's royal wedding between Prince William and Catherine

Middleton being the latest example, interestingly the Duchess's dress was embroidered with motifs symbolising England, Scotland, Wales and N. Ireland.

The Most Noble Order of the Garter is the world's oldest national order of chivalry in continued existence and is the pinnacle of the British honours system (see Image 5 on next page). Its membership is extremely limited consisting of the sovereign and Prince of Wales and not more than 24 full members.

The order can contain supernumerary members (i.e. members of the British royal family and foreign monarchs). The sovereign alone grants membership. As



IMAGE 4
Coronation of Queen Elizabeth II with Prince Philip, Duke of Edinburgh.



IMAGE 5
Queen Elizabeth II and Prince Philip at the ceremony of the Order of the Garter.

the presenter Andrew Marr commented in the BBC documentary “The Diamond Queen” this top club for the establishment, reinvented by the Queen’s father as being solely in the sovereign’s gift without any input from government as he thought the honour was becoming too political, is a problematic aspect of a monarchy which claims to be a modernising force.

MEDIEVAL INTERNATIONAL RELATIONS

Many of the most beautiful manuscripts owned by English royalty were not made in England but in France or the Burgundian Netherlands.

These manuscripts enrich our understanding of the relationship between English royalty and their Continental counterparts. The books illustrate the close affinity of English royalty with fashionable Continental styles and their effort at appropriation of the art and culture of their longstanding political rival, France.

Some manuscripts were acquired as a

result of the close dynastic relations between English kings and their relatives at the courts of France and Burgundy. Other acquisitions stemmed from the fact that, for much of the medieval period, large parts of France were claimed or occupied by English kings.

As a result English patrons commissioned manuscripts from local artists and scribes, such as the Book of Hours acquired and modified by Henry V’s brother John, Duke of Bedford, while he was Regent of France.

Another example is the collection of texts made in Rouen that was given by the English commander John Talbot, 1st Earl of Shrewsbury, to Margaret of Anjou on her wedding day to Henry VI in 1445 (see Image 6 across).

This grand manuscript also vividly illustrates English claims to the French throne in elaborate genealogy setting out Henry’s allegedly superior rights, as derived from a closer descent from St. Louis than that of the French Charles VII,

who is judiciously omitted from the French royal line altogether.

The Lancastrian and Tudor monarchs’ taste for the work of Continental artists was continued by Henry VIII who commissioned two music manuscripts (see Image 7, Page 36), one of which has the fitting image of the Tudor rose melding with the white and red elements of the houses of York and Lancaster.

ROYALTY AND INTERNATIONAL AFFAIRS TODAY

On her 21st birthday, on her first overseas tour to South Africa, the Queen (then Princess Elizabeth) pledged in a Commonwealth broadcast, “I declare before you all that my whole life, whether it be long or short, shall be devoted to your service and the service of our great imperial family to which we all belong.”

Britain no longer has an empire but the Queen is still constitutional monarch of 16 of the 54 states within the Commonwealth of Nations and Head of the Common-

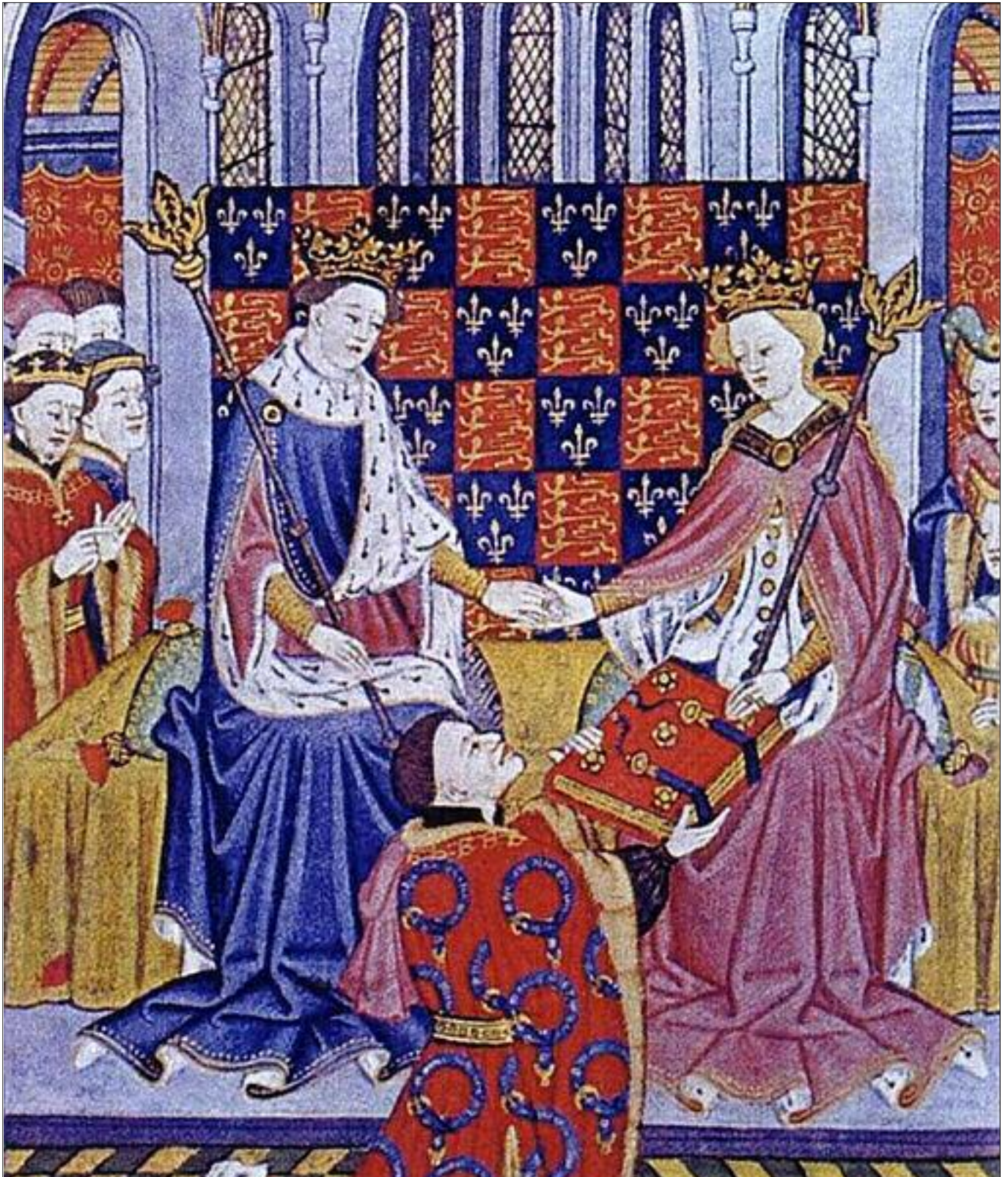


IMAGE 6
The Earl of Shrewsbury presents an illuminated manuscript to Margaret of Anjou, Queen of England, seated alongside her husband, Henry VI.
 From "The Shrewsbury Book" published in Rouen, 1444-5.

wealth. The position of Head of the Commonwealth is not hereditary, so it will be interesting to see if the next monarch succeeds the Queen.

There are republican movements in Australia, Canada and New Zealand, and Jamaica is soon to have a referendum on independence, but so far no such move-

ments have resulted in these countries becoming republics despite the outrage caused in Australia when the Governor-General dismissed the Labour government in 1975. Within the UK itself, the Scottish National Party intends to retain the Queen as monarch and head of state if there is a majority vote in favour of independence.

The royal family maintain a high profile internationally representing the UK abroad. In her reign the Queen has made 325 visits to 125 countries.

In the last eighteen months the Queen's activities have included two historic visits of reconciliation to the Irish Republic and Northern Ireland; a trip to the vastly wealthy, oil-rich Gulf States that Britain now relies on so much; her 16th tour of Australia; a speech at the UN in New York; the second visit of the US President, Barack Obama, to Buckingham Palace and the first-ever state visit of a Pope, Pope Benedict XVI, to Britain.

The younger royals are similarly utilised: Prince William toured New Zealand and Australia visiting flood victims in Queensland and Victoria in March 2011, and after his wedding visited the US and Canada with his wife, the Duchess of Cambridge. Prince William's wedding (pictured below) and these visits have boosted pro-monarchy sentiment.

Prince Andrew served as the UK's Special Representative for Trade and Investment from 2001 until July 2011 when he gave up the role over mounting criticism on a variety of fronts: these included his expenses (£620,000 in 2010, including £154,000 on hotel, food and hospitality and £465,000 on travel); his misuse of his position for personal gain (e.g. when the premier of Kazakhstan's billionaire son-in-law, Timur Kulibayev, paid Prince Andrew's representatives £15 million - £3 million over the asking price - via offshore companies for his Surrey mansion. Mention of the Prince's connection with Kazakhstan frequently appears in US dispatches as someone who has accumulated millions in this gas-rich country); and his poor judgement in his friendships (e.g. with US billionaire Jeffrey Epstein, a convicted sex offender in the State of Florida for soliciting an underage girl for prostitution, and Saif al-Islam Gaddafi and Tarek Kaituni, a convicted Libyan gun smuggler).

Royal awareness of the international aspect of their role is instilled from early years: for example Prince William accompanied his parents, Prince Charles and Diana, on a tour of Australia as a baby.

All of the Princes have engaged in activities overseas in their youth:

- whilst at Gordonstoun Prince Charles spent two terms at Geelong Grammar School in Australia and worked on a cattle station;

- Prince Andrew participated



IMAGE 7
Choirbook created for Henry VIII and Catherine of Aragon.

From the Choirbook published by Petrus Alamire in the southern Netherlands, c1513-25

in an exchange programme to Lakefield College School, Ontario, in Canada;

- Prince Edward spent a gap year as a tutor and junior master in the Wanganui Collegiate School in New Zealand;

- in his gap year Prince William took part in a British Army training exercise in Belize;

- Prince Harry worked at a cattle station in Australia and with orphaned children in Lesotho.

All of this testifies to the endeavour put in by the royal family to maintain their personal position and that of the UK in a pre-eminent position on the world stage.

FUNDING THE MONARCHY TODAY

Funding arrangements for the monarchy have changed leading to an increase in funding.

Maintaining the royal identity and

assisting their role in furthering international relations has been boosted by a record rise in annual profits (from £231m to £240m) recorded by the Crown Estate.

This means the Queen will be eligible for a £36.1m payment next April to fund her official duties, a 16% rise on the £31m paid by taxpayers this year to finance the monarchy, despite the government enforcing sharp public spending cuts elsewhere.

The increase follows changes made by the Coalition regarding how the taxpayer funds the monarchy. The chancellor, George Osborne, has abolished the Civil List, which financed the official duties of the Queen, and replaced it with a Sovereign Grant that is equal to 15% of the Crown Estate's annual profits.

This marks a historic change to the previous long-standing arrangement. The Crown Estate's profits had previously been paid to the Treasury and taxpayers since 1760 after George III transferred the Crown's property to the state in return for an annual fee to support his duties.

A Treasury spokesperson said the Sovereign Grant is "designed to put Royal finances on a long-term sustainable footing, linked to Crown Estate profits."

The Crown Estate's profits have risen to record levels thanks to an increase in rents from retailers for its urban properties and an increase in income from the seabed it owns around the UK because of rents from new wind farm developments and construction companies paying for materials such as sand.

The Crown estate owns a portfolio of historic assets such as Regent Street, Windsor Great Park, farmland and most of Britain's coastline, as well as properties bought over the past few years such as Westgate shopping centre in Oxford.

The value of its properties is now £7.6bn, after a 7.4% rise in the past year despite Britain entering a double-dip recession. Including cash in the bank the organisation is worth £8bn. Alison Nimmo, chief executive of the Crown Estate, said, "It has been another great year for the Crown Estate. Our superior prime portfolio and active asset management have been the cornerstones of this strong financial performance and resilience during recent market volatility."

This boost in funding may contribute to the continued existence of the monarchy, although if more widely known, like bankers' bonuses, it could assist in its downfall.

