

# THE SOCIALIST CORRESPONDENT

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# Banks in turmoil again!

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the world to war**

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The global financial system has so far narrowly escaped another meltdown as urgent measures by the US and Swiss authorities contained the recent crisis to specific banks. In *Banks in turmoil again!* Paul Sutton sets out the origins of the current problems and the how wider contagion was prevented, staving off a worldwide crisis for another day. However, Sutton makes clear the inherent problems in trying to regulate the banks and the contradictions in trying to manage capitalist economies that led to this situation. It is only, he says, a matter of time before the system implodes under the weight of its contradictions.

## The drive to war

But will we survive long enough to witness that implosion or will the imperialist drive to war lead to devastating consequences for humanity? The dangers are very real as John Moore sets out in *The West is taking the world to war*. Not satisfied with the death and destruction it has visited most recently on the Middle East, the United States and its allies in the West and NATO are pursuing the war in Ukraine, primarily to weaken Russia, and without regard to whether or not continuing the war is in Ukraine's interests. More and more weapons and other forms of military support are being poured in with scant signs of progress. Though welcomed by other countries the US has rejected out of hand Chinese proposals to achieve peace in Ukraine.

Not only that, but the US is ramping up rhetoric and war preparations against China itself. Though Germany seems to have been happy enough to undermine its economy to serve US interests over Ukraine, Macron in France seems less keen to commit to a war with China. So far the divisions within imperialism have not broken the core of the US alliance, but countries of the global south seem ever stronger in their

pursuit of a place in world affairs and to have economic, financial and trading systems that are not subservient to the US. Their strengthening alliances, refusal to join the war drive and advocacy for peace in Ukraine provides some hope in a grim situation.

Nevertheless, the logic of capitalism is driving us towards a 3rd World War. As Moore points out the movement here needs to play its part in opposing the war drive, yet pro-peace voices have been marginalised and messages ambivalent, and in the worst cases there are some in the unions and on the left who have joined the campaign for more arms. Voices for peace have a big task and confront a substantial state-sponsored media machine. Alex Davidson debunks the persistent untruths peddled by the mainstream media in *Western disinformation and Ukraine*. However, by their constant repetition, these mantras have a powerful effect on the public consciousness. They are certainly not the result of unbiased journalism and Davidson exposes the links between the state, military/security personnel and funding for this propaganda.

## Attack on the working-class

The wave of strikes currently still sweeping Britain has exposed not only the declining living standards of workers, especially in the public sector, but has also shone a light on the dire state of the NHS and other services. In this issue, Pat Turnbull examines different aspects of the housing crisis, which has grown since the sell-off of council housing under the so-called right-to-buy and the failure to build more social housing. Housing stock has gone to the private sector and been removed from local authority control - hived off to housing associations. The result has too often been poor quality and expensive accom-

modation, which is affecting the health and wellbeing of children and adults.

Turnbull points out that just as cash wages have been decreasing so the social wage in terms of services like housing has also been under attack.

This underlines the importance of the working-class mobilising to fight not just on immediate issues of wages and conditions, but also engaging in a wider political struggle.

In *Scottish independence off the agenda*, Frieda Park argues that the crisis engulfing the Scottish National Party could provide the opportunity to up the level of class struggle in Scotland by focusing on a working-class agenda independent of attitudes to the constitution - whether people are for or against independence or some other option. The all-consuming debate round the future constitutional status of Scotland has not advanced working-class interests. The meltdown in the SNP means that there is no immediate prospect of another independence referendum, so space has opened up for unambiguous class politics to take centre stage in Scotland if that opportunity is taken.

The strike movement across the country has been a welcome indicator that the class struggle is far from dead. Union members have had to battle hard for what are turning out to be fairly modest gains in wages. But if they hadn't fought then the gains would have been even more modest and this represents a retreat by the government which had resolutely refused to negotiate. However, this only underlines the need for more strategic, unified and political action by workers in every part of the UK if the working-class is to make more substantial progress.

# THE WEST IS TAKING THE WORLD TO WAR

by John Moore

Alongside its surprise diplomatic success in bringing together Saudi Arabia and Iran, China's peace plan for Ukraine has caused consternation in the West. Its 12-point plan calls for a ceasefire, peace talks, the protection of POWs and civilians, and a ban on nuclear, chemical or biological weapons. It also calls for an end to military blocs and sanctions and respect for territorial integrity.

Ukraine has not rejected the plan. Chinese Foreign Minister Qin Gang has spoken to Kuleba, his Ukrainian counterpart (Morning Star, 17/3/23), and a phone call between Xi and Zelensky has been proposed. Ukraine's Deputy Prime Minister says such a call "would be an important move".

American economist and UN special adviser Jeffrey D. Sachs, by no means a leftwinger – Sachs helped supervise the rapid privatisation of industries in the former Socialist countries – says that the basis for any peace is clear: "Ukraine would be a neutral non-NATO country. Crimea would remain home to Russia's Black Sea naval fleet [as it has been since 1783]. A practical solution would be found for the Donbas, such as a territorial division, autonomy, or an armistice line... Such an agreement could have been reached in December 2021 or in March 2022" (Common Dreams, 18/2/23).

## US rejects peace

The US has rejected China's plan out of hand. It has, however, been at great pains to manage the re-

ception of the proposal. National Security Council spokesman John Kirby said the proposal was "effectively the ratification of Russian conquest" and would "recognize Russia's gains" (Daily Mail, 17/3/23). A ceasefire would be unacceptable, he said – despite the fact that the US has made great play of claiming that Ukraine decides its fate autonomously (Washington Post, 5/4/22). US Secretary of State Antony Blinken said in a press briefing (20/3/23) that a ceasefire would not only be unacceptable, but illegal: "The world should not be fooled by any tactical move by Russia supported by China, or any other country, to freeze the war on its own terms. Such a move would violate the UN charter."

For the US, a ceasefire brokered by China would deal a major blow to its global supremacy. Not only would it further undermine US divide and rule after the Saudi-Iranian rapprochement, which represents a strategic setback for the US in the Middle East, but if implemented it would actually halt the Ukraine war, an outcome the current US administration wants to avoid. In building up Ukraine's forces for a long-announced, but as yet to begin, Spring offensive, the West aims to prolong the war and force regime change and dismemberment on an enfeebled Russia. Alexander Gabuev, director of the Carnegie Russia-Eurasia Center, said: "Now is not the right time for diplomacy" (Bloomberg News, 19/3/23).

Senior US Republican senator Lindsey Graham who advocated Putin's assassination last year, is demanding the shooting down of Russian planes (Daily Mail, 15/3/23) after a

US spy drone, with its tracking device switched off, flew close to Russian territory and was intercepted by Russian warplanes – the same drone that Russia tracked last year flying close to the Kerch bridge the day it was bombed. Meanwhile, in Poland the most hawkish and pro-American government in the EU has declared that it would intervene directly in the war if Ukraine were in danger of losing (Top War, 19/3/23), and President Duda has announced plans to create the largest land army in Europe (Simplicius The Thinker, 25/3/23). Poland, which has announced the establishment of the first permanent US command base on its territory (TVN24, 21/3/23), is itching to get its hands on the former Polish territory of western Ukraine, known pre-World War 2 as "Eastern Lesser Poland" (Warsaw Institute 1/3/18). As Duda put it last year: "The Polish-Ukrainian border should unite not divide" (Newsweek, 31/5/22).

## Escalation

Attacks on Russian territory including Crimea, and the supply of MiG 29 fighter planes from Slovakia and depleted uranium tank-busting shells from Britain – shells condemned by the UN because of the cancers and birth deformities they cause (Reuters, 21/3/23) – all point to continuing western escalation.

While such escalation is proof of undiminished commitment to war, it is not a sign of success. The Asia Times (20/3/23) reports: "The entire [Ukrainian] army that NATO trained between 2014 and 2022 in preparation for a Russian attack is dead, and recruits

are being thrown into battle lines with three weeks of training.” The article continues: “A gloomy assessment of Ukraine’s prospects for victory against Russia emerged from a recent private gathering of former top US soldiers, intelligence officials and scholars... The several dozen attendees, many of whom had held cabinet or sub-cabinet positions, met under Chatham House rules, which forbid identification of individual participants but allow the content itself to be presented.” Crucially the article concludes that: “Overwhelmingly, the sentiment of participants leaned towards escalation in the form of providing additional weapons to Ukraine. The great majority of participants favored risking everything for absolute victory over Russia.”

This chimes with Serbian president Aleksandar Vucic’s warning last year that, “We are going to enter a large-scale global conflict the likes of which we haven’t seen since World War 2” (Euronews, 21/11/22).

## Jingoism and retreat

Peace campaigning in Britain has so far failed to address the gravity of the threat posed to world peace by this war. Labour MPs who oppose the Tories on domestic issues have been silenced on the role played by NATO in creating such a dangerous situation. The TUC voted through a disastrous motion backing higher defence spending, albeit narrowly, overturning its previous objection to raising defence budgets. Labour has reiterated its support for NATO, the Green Party has reversed its anti-NATO policy, and some union leaders and left-wing MPs have called for more arms to be sent to Ukraine. The mainstream media have deprived the British public of any dissenting or alternative views.

The collapse by the Second International ‘socialists’ into jingoism that took place in 1914 (for instance, Hyndman in Britain, Plekhanov in Russia) is being repeated, and for



Biden met with Zelensky of Ukraine outside the Mariinskyi Palace in 2023

many of the same reasons, including the subordination of class to bourgeois national interests – leading to complacency and misidentification as to who the main enemy is – rooted in imperial privilege.

The result has been a disabling underestimation of the destructive role of NATO, above all of US and UK intentions, and amounts to unqualified support for the same liberal interventionist position that brought about the catastrophe in Iraq 20 years ago.

## Global majority rejects US line

The liberal interventionist viewpoint is, predictably, not reflected globally. Bolivia’s former democrat-

ically elected president Evo Morales, deposed in a US-backed coup in 2019, said recently: “The sending of tanks and new items of weaponry from the US, NATO and some European countries to Ukraine is an irrational provocation towards world war three.” (Twitter 2/2/23). Brazilian president Lula is refusing to send Brazilian arms and spare parts for Leopard tanks to Ukraine because “our war is to improve the lives of our people.” Lula also questions the western narrative of the causes of the war. “I think the reason for the war between Russia and Ukraine also needs to be clearer. Is it because of NATO?” (Reuters, 5/5/22).

South Africa likewise – along with the vast majority of the world’s

nations, including India, most of Africa, the Middle East and Asia – has refused to impose sanctions on Russia (Daily Maverick, 19/11/2).

The only countries to employ sanctions against Russia have been the US, UK, EU, Canada, Australia, Japan, Taiwan, Switzerland and South Korea. As Newsweek put it: ‘Nearly 90 Percent of the World Isn’t Following Us on Ukraine’ (15/11/22).

In the face of this overwhelming rejection, the US continues to impose unilateral sanctions on 40 countries. Nations with direct experience of imperialist aggression see such economic aggression for what it is: the violation of international law protecting all countries’ rights to development and self-determination (Rahmat Mohamad, Economic Sanctions under International Law, SpringerLink (1/1/15)). Such countries well understand the dire future Ukraine faces. As journalist Chris Hedges says: “There will come a time when the Ukrainians, like the Kurds, will become expendable. They will disappear, as many others before them have, from our national discourse and our consciousness... The American empire will move on to use others, perhaps the “heroic” people of Taiwan, to further its futile quest for global hegemony” (Consortium News, 14/3/23). Hedges adds: “U.S. love of freedom only extends to people who serve its ‘national interest’”.

For the global majority, which has been on the receiving end of the 251 US military interventions since 1991, NATO is neither defensive nor a guarantor of peace. Since World War 2, the US has killed 12 million people directly through its wars, so the US declaration that it will never allow another power to share its pre-eminent global position rings alarm bells across the world. President Biden said last year: “We are in a competition to win the 21st century, and the starting gun has gone off.”

No wonder there is disbelief when Ned Price, spokesperson for the US State Department, maintains that: “No country on Earth has done more to build a more stable, more integrated Middle East” (Mint Press, 14/3/23). Instead people see a viable Chinese peace plan for Ukraine in line with international law versus the lawless one-sided gangsterism of the USA.

## Threat to China

US/NATO war plans extend far beyond Ukraine. The military pressure against China is building with the recent agreement between Britain and Japan on the military use of space, regular western and Japanese naval exercises in the South China Sea and the building of four new US bases in the northern Philippines and on Japanese islands close to Taiwan, completing the US’s “arc around China” (BBC, 2/2/23). Taiwan is being armed to the teeth, despite the fact that official US and UK policy is that Taiwan is part of China. The AUKUS pact between the US, UK and Australia will give Australia nuclear submarines to block China’s trade routes and in exchange effectively hands Australia’s sovereignty over to the USA.

4-star general Mike Minihan predicts war with China “within two years”, a prediction endorsed by the Chairman of the Republican Congress Foreign Affairs Committee (NBC News, 27/1/23). The drive to all-out war – one in which the US would not play to lose, leading to almost certain nuclear engagement – is accelerating.

## Capitalism heading for world war

The US reliance on military violence as a solution to its unproductive and crisis-prone economy means that world war is increasingly likely. Weapons makers such as Lockheed Martin and Raytheon

have a vested interest in promoting conflict – as do UK arms-makers such as BAE, Babcock, Rolls Royce and Qinetiq whose shares surged over 24% by £5 billion in the first month of the Ukraine conflict (This is Money, 24/3/22). The massive arms race of the western powers takes the NATO countries’ combined defence budgets over the \$2 trillion a year mark. Biden is proposing a budget of \$1 trillion next year with US defence spending exceeding the rest of the world put together – over 14 times more than Russia and over 3 times more than China. Such an arms race historically precedes major war.

The laws of capitalist competition inevitably lead to war, unless people mobilise to prevent it. British peace campaigning could learn from the increasingly visible anti-NATO protests that have been emerging across Europe – in Slovakia, the Czech Republic, Bulgaria, France, Italy, Greece – and notably in Germany where a peace petition has now attracted over 750,000 signatures, and where polls show that 59% of the German population opposes the delivery of heavy weapons to Ukraine.

As African-American peace campaigner Ajamu Baraka puts it, the US is “an existential threat to collective humanity on our planet” (Black Agenda Report, 17/3/23), by far the greatest danger to world peace of all the world’s powers. Former president Jimmy Carter, has echoed this view, calling the US “the most warlike country in the history of the world” (Common Dreams, 18/4/19). In such a context, Chinese proposals for peace in Ukraine represent a sea-change in global politics. For the first time, China is using its significant weight to try to restrain US violence. Socialists need to see that violence for what it is.

# WESTERN DISINFORMATION AND UKRAINE

by Alex Davidson

The UK reportage on the conflict in Ukraine has been exceptionally well-controlled by the British State. Besides being one-sided in its reporting and untruthful, the narrative has been relentlessly repeated, and its descriptive language has been propagandistic. This includes the assertions that the “Russian invasion was unprovoked”; that it was a “full-scale invasion”; and that Russia intended to take over Ukraine and then move on to invade other countries. Anyone who questioned this narrative was described as a “Putin apologist”.

## Unprovoked?

To argue that the Russian invasion was unprovoked is to ignore the promises made by the West that NATO would not expand eastwards after the defeat of the Soviet Union. NATO in fact has steadily expanded towards Russia’s borders threatening its security. Some former US political and military leaders have pointed this out as crossing Russia’s red-lines but that has been lost amidst the West’s propaganda barrage.

And then there were the Minsk Agreements of 2014-2015 and those under the Normandy Format of 2019, which could have prevented the conflict if these agreements had been implemented by Ukraine. However, Angela Merkel, German Chancellor at the time, one of the signatories to the Minsk Agreements, admitted in December 2022 that the agreements had been “an attempt to give Ukraine time and that Ukraine used it to strengthen its armed forces.” (1) François Hollande, former French President,



PHOTO BY HEINRICH-BÖLL-STIFTUNG

*Eliot Higgins, a founder of Bellingcat with Alina Polyakova, assistant director of The Atlantic Council, 2015*

also one of the signatories has confirmed Merkel’s statement.

The Russians repeatedly warned the West about their breaches of promise from 1991. The Minsk Agreements of 2014-2015 and of 2019 were not enforced on Ukraine by Germany/ France under the sway of the US. Ukraine continued to bombard Donetsk and Luhansk causing some 14,000 civilian deaths. This was the background to Russia launching its military operation. It was not an unprovoked invasion.

## Full-scale Invasion?

No serious military analyst would honestly characterise the Russian “Special Military Operation” as a full-scale invasion other than

for propaganda purposes. The Russians had less than 200,000 mobilised troops on the border with Ukraine in February 2022. This number was much less than what would have been required to occupy and control a vast country the size of Ukraine with a population of some 40 million and large armed forces, trained by NATO. By comparison it should be recalled that Nazi Germany invaded the Soviet Union with 3 million troops, 600,000 vehicles, more than 500 tanks and 2000 aircraft. The Nazi invasion moved at lightning speed through Ukraine before reaching the environs of Moscow. That is what one would describe as a full-scale invasion.

# The US had long held the aim of stopping Russian gas getting to Europe and replacing it with American liquefied natural gas.

Related to this false description of Russian actions is the oft-repeated narrative that Russia was thwarted in its attempt to take Kiev. The Russians never intended to occupy Kiev. Their incursion from the north towards Kiev was a military manoeuvre to tie down Ukrainian forces protecting Kiev so that Russia's limited aim to secure Donetsk and Luhansk could be successfully achieved.

## Ukrainian democracy?

Victoria Nuland, then US Assistant Secretary of State, attended the 2014 Maidan Uprising in Ukraine supporting the protesters. Prior to that, in December 2013, she said in a speech to the US-Ukraine Foundation that the US had spent about \$5 billion on democracy-building programmes in Ukraine since 1991. This would have been better termed regime-change programmes.

A recording of a phone call made on 28th January 2014 between Nuland and US Ambassador to Ukraine, Geoffrey Pyatt, was published on YouTube on 4th February 2014. Nuland and Pyatt were discussing who they thought should be in the next Ukrainian government. Nuland told Pyatt that Arseniy Yatsenyuk would be the best candidate to become the next Prime Minister of Ukraine. [2] The coup against the Victor Yanukovich government, orchestrated by the Americans and carried out by Azov and Right Sector and other neo-Nazi formations, brought to power, Nuland's choice, Arseniy Yatsenyuk. He became Prime Minister on 27th February 2014. Nuland was the US lead person guaranteeing a loan of \$1 billion and the provision of assistance to the Ukrainian military and border guard in 2014.

Zelensky won the Presidential election in 2019 with a commitment to end the fighting in eastern Ukraine, make peace with Russia and tackle corruption. [3] However, he soon jettisoned his pledges, didn't

implement the Minsk Agreements and under the control of the US/UK, didn't make a deal with Russia. There is considerable evidence that the endemic corruption in Ukraine has continued unabated, indeed increased, with the huge amounts of dollars and military equipment transferred by the West since 2022.

## Nord Stream

The US had long held the aim of stopping Russian gas getting to Europe and replacing it with American liquefied natural gas. They had the support of countries in Eastern Europe, notably Ukraine and Poland, who campaigned within the EU to stop Nord Stream 2. In an interview with ABC News on 7th February 2022, US President Biden said, "If Russia invades Ukraine... then there will be no longer a Nord Stream 2. We will bring an end to it." The reporter then asked, "But how will you do that, exactly, since the project is in German control?" Biden answered, "I promise you; we will be able to do that." On 26th September 2022 the Nord Stream pipeline was blown up.

In the immediate aftermath of the pipeline bombing using the argument that the sabotage could only have been done by a state actor, Russia was repeatedly cited as a likely culprit, spurred on by calculated leaks from the White House. However, blaming Russia flew in the face of all logic. Why would the Russians blow up their own pipeline worth billions of dollars? Even the *New York Times*, noting the apparent mystery of "why, if Russia bombed its own pipelines, it would begin the expensive work of repairing them."

The various contorted arguments that the Russians were to blame eventually gave way to another explanation with the discovery of the yacht, *Andromeda*, said to have been implicated. The West refused to allow Russia to be part of the investigations and now all has gone quiet.





Normandy format talks in Minsk 2015. Western bad faith in negotiations

On 3rd April 2023 the Washington Post reported, under the headline, “Don’t talk about Nord Stream” that “For all the intrigue around who bombed the pipeline, some Western officials are not so eager to find out.” The report went on, “At gatherings of European and NATO policymakers, officials have settled into a rhythm, said one senior European diplomat: Don’t talk about Nord Stream...Leaders see little benefit from digging too deeply and finding an uncomfortable answer, the diplomat said, echoing sentiments of several peers in other countries who said they would rather not have to deal with the possibility that Ukraine or allies were involved....officials said they were loath to share suspicions that could accidentally anger a friendly government that might have had a hand in bombing Nord Stream.” At a United States Congressional hearing in early 2023, Nuland stated, “I am gratified, and I think the administration is, very gratified to know that Nord Stream 2 is now...a hunk of metal at the bottom of the sea.” US investigative journalist Seymour Hersh has made the claim

that US Navy divers planted explosives on the pipelines during NATO exercises held in June 2022 before remotely activating the bombs, with the assistance of Norway, three months later on 26th September 2022. [4] The US has described the claim as “completely and utterly false.” Hersh was proved to be correct about the My Lai massacre in Vietnam decades ago and the Abu Ghraib prison tortures in Iraq more recently. Both of which were denied by the US at the time. Hersh’s account of the sabotage of Nord Stream is the most credible to date.

Hersh, in referring to Open-Source Intelligence (OSINT), wrote about how the West deals with its covert operations: “the first thing you look at is how to take care of the open-source people, make them think what happened isn’t happening.” [5] Alicia Kearns, Conservative MP, who chairs the UK parliament’s Foreign Affairs Committee, said in a debate on Ukraine: “On information operations, we have done an incredible job. The UK has led on this internationally, exposing the

reality of what is happening on the ground and the false flags. I pay tribute to Bellingcat and the Centre for Information Resilience, which have done incredible work.” [6]

## Centre for Information Resilience

The UK government has given at least £2.7m to the OSINT London-based Centre for Information Resilience (CIR) since January 2021. Around 40% of this has been provided since 24th February 2022, when Russian forces entered Ukraine. [7]

On 18th December 2022 CIR tweeted: “Like our other #OSINT projects, it’s more than just plotting developments on a map: at its heart, our work is about justice and accountability. We knew that the Kremlin would try everything to distort the information environment. Our resolve to stop them remains.” CIR was founded by two Foreign Office veterans, Ross Burley and Adam Rutland. When he worked for the Foreign Office Burley served in London, Washington and Tel Aviv, and “designed, implemented,

and led several of the UK Government's counter disinformation programmes" from 2017-20. Burley still works for the UK government's cross-government Stabilisation Unit "as a Civilian Deployable Expert in strategic communications." The government deploys such civilian experts to "support UK government activities in fragile and conflict-affected states, and to multilateral missions." [8] In May 2022 Burley spoke in the session, "Under Fire: Russia's invasion and the global information space" at a conference hosted by NATO's Strategic Communications Centre of Excellence in Riga, Latvia. [9] At the same conference another session was held under the title, "Formulating a rules-based order for the digital age: Big Tech in the Spotlight". Speakers at this session included, David Agranovich, Director, Global Threat Disruption at Meta (Facebook) and Dr Yoel Roth, Senior Director, Safety and Integrity, Twitter. David Agranovich coordinates disruption of influence operations, cyber-espionage, and adversarial networks across Meta. Prior to joining Facebook, Agranovich served as Director for Intelligence at the National Security Council (NSC) in the White House. Dr Roth is the Senior Director of Safety & Integrity at Twitter. At university his research included *how the choices of developers, designers, and policymakers can systematically push certain types of identities and communities to the digital margins.* (my emphasis)

The CIR's seven-person advisory board includes Cindy Otis, who spent ten years as a CIA analyst; Toomas Hendrik Ilves, a former Estonian foreign minister who led the country's NATO accession process; Mo Hussein, a former chief press officer at 10 Downing Street and media adviser in the Ministry of Defence; and Elisabeth Braw, a fellow at the neo-conservative American Enterprise Institute.

## Bellingcat

"Taking on the Kremlin from his couch ... Eliot Higgins and Bellingcat are fighting Vladimir Putin and his ilk, using little more than computers and smartphones" – *Foreign Policy*. [10] Eliot Higgins, founder of Bellingcat, was a senior fellow in the Atlantic Council's Digital Forensics Research Lab (DFR Lab) from 2016-2019. The UK government has given the DFR Lab £6.7 million since 2018. In 2015 Higgins co-authored the book, *Hiding in Plain Sight: Putin's war in Ukraine*, published by the Atlantic Council. The Atlantic Council is NATO's unofficial Thinktank. It receives funding from the US Department of Defense, arms manufacturers, Raytheon and Lockheed Martin. Facebook, Goldman Sachs and the UK Foreign Office each contribute more than \$1million.

## NATO Strategic Communications

The NATO Strategic Communications Centre of Excellence was founded in January 2014 by Estonia, Germany, Italy, Latvia, Lithuania, Poland and the UK. The Centre's May 2022 seminar introduction explained that "today NATO acts in three dimensions of operations: the physical, cyber, and cognitive aspects", and outlined how the workshop would centre on the cyber and cognitive realms, focusing especially on "*the role the media can and should play as a gatekeeper that frames conversations and interprets narratives.*" (my emphasis).

Mark Laity, Director, Communications Division, NATO Supreme Headquarters Allied Powers Europe, wrote: "It is no exaggeration to say that at the height of their crisis it was groups like the Ukraine Crisis Media Centre and StopFake that brilliantly carried the main burden of Ukraine's commu-

nication effort... But we, with all our resources, have hugely benefited from the independent efforts of groups like Bellingcat and the Atlantic Council as well as individual experts. Not only did they bring expertise they also brought credibility. Whether deserved or not, we live in an age of distrust of institutions, and they are more trusted than we are." [11]

[1] Interview, *Die Zeit*, December 2022.

[2] Arseniy Yatsenyuk created the Open Ukraine Foundation and the Kyiv Security Forum in 2007. In 2014 the Open Ukraine Foundation partnered with the NATO Information and Documentation Centre, US Department of State, the US National Endowment for Democracy and Chatham House. On 1st December 2022 the Open Ukraine Foundation held the annual Kyiv Security Forum. Participants included US Under-Secretary of State, Victoria Nuland; President of the European Council 2014-2018, Donald Tusk; and the Ambassadors of the G7 countries.

[3] In October 2021, the *Pandora Papers* revealed that Zelensky, his chief aide, and the head of the Security Service of Ukraine Ivan Bakanov operated a network of offshore companies in the British Virgin Islands, Cyprus and Belize.

[4] Hersh, Seymour, *How America Took Out the Nord Stream Pipeline*, Substack, 8/2/23.

[5] OSINT is defined in US Public Law 109-163 as cited by the US Director of National intelligence, as intelligence "produced from publicly available information that is collected, exploited, and disseminated in a timely manner to an appropriate audience for the purpose of addressing a particular intelligence requirement."

[6] UK House of Commons Debate, 2/3/22.

[7] McEvoy, John and Curtis, Mark, *UK Foreign Office Gives Millions to Counter-Disinformation Groups*, 4/4/23, Declassified UK.

[8] [www.gov.uk/government/organisations/stabilisation-unit/about](https://www.gov.uk/government/organisations/stabilisation-unit/about)

[9] <https://rigastratcomdialogue.org/speakers/view/ross-burley>

[10] <https://www.bellingcat.com/book/>

[11] [https://www.jwc.nato.int/images/stories/threeswords/NATO\\_STRATCOM\\_2018.pdf](https://www.jwc.nato.int/images/stories/threeswords/NATO_STRATCOM_2018.pdf)



PHOTO BY CAYAMBE

Credit Suisse Bank in Chur, Switzerland

by Paul Sutton

On March 13th, 2023 President Biden stated he would do “whatever is needed” to shore up US banks following the largest bank failure in the US since the financial crisis in 2008. The collapse of Silicon Valley Bank, the 16th largest in the US, followed shortly after by the failure of Signature Bank (the third largest bank failure in US history), saw a slump in bank share prices not only in the US but also in Europe and Asia. In the UK the Bank of England quickly stepped in to declare the London branch of SVB insolvent. The fear of further bank failures was again in the air despite prompt action in the US and elsewhere to reassure depositors that their money was safe.

### Bank failures

It was not enough however to save Credit Suisse, the second largest bank in Switzerland. It had been badly managed and carrying huge losses for several years, US\$8 bil-

lion alone in 2022. Its potential failure was magnified following a decision by its single largest shareholder, the Saudi National Bank, to no longer support it prompting the Swiss National Bank to extend emergency funding of £44 billion. Further action however was needed and on 19th March USB, the largest Swiss bank, offered to take it over at a fire-sale price. While the failure of Silicon Valley Bank was serious the failure of Credit Suisse was potentially catastrophic for the global banking system. Since 2011 a list of around thirty Globally Systemically Important Banks (GSIBs), any one of whose failure would have the potential to destabilise the global financial system, has been compiled by the Financial Stability Board. Credit Suisse has been on the list since the beginning.

Given their global importance, because of their size and interconnectedness, GSIBs are subject to stricter regulation and higher stress tests than are ordinary banks. One wonders what was missed in the

case of Credit Suisse – or perhaps it wasn’t considered important? In recent years it has been fined for serious mismanagement, including commissioning spying on seven of its senior executives, for facilitating tax and sanctions evasion, and for a multi-million pound fraud in Mozambique. Its most recent annual report devoted more than 10,000 words to listing lawsuits, government investigations and settlements (*Wall Street Journal*, 19/3/23). If such revelations did not spook the regulators it did the investors who were steadily losing confidence and who began withdrawing billions following the Saudi National Bank decision, and which the emergency lending by the Swiss National Bank did nothing to stem. The acquisition by USB duly followed.

Failures in the regulation of US banks have also been cited in the cases of Silicon Valley Bank (SVB) and Sovereign Bank. In a letter to the Federal Reserve (the US equivalent to the Bank of England) twelve US Senators, including Bernie Sand-

ers and Elizabeth Warren, warned that a loosening of the regulations on banks which was approved by the Trump administration in 2018, be reconsidered or rolled-back, particularly for regional banks with assets of between US\$100-250 billion (which would have included SVB and Sovereign). “Irresponsible and excessive risk taking by SVB and Signature executives should serve as a clear reminder that banks cannot be left to supervise themselves,” they wrote. “The Fed has a responsibility to ensure financial stability, and in order to fulfil that responsibility, it must ensure that all banks with potential systemic significance are subject to rigorous safety and soundness rules” (CNN Business, March 23). In other words, while the failure of SVB and Sovereign were for the moment contained, there was nevertheless a real risk of contagion i.e. fears about the ‘soundness’ of other banks leading to panic runs on the banks by depositors, leading to more failures. The introduction of tighter rules on banks following the 2008 financial crisis was supposed to solve this issue. It clearly did not and the system as a whole remains inherently fragile. It cannot be otherwise since risk is a central element of finance capital, the reward for which is higher profits. The greater the risks, the greater the gains. Similarly, contradictions are a central dynamic of capitalism. It makes economic policy difficult to formulate and apply leading to winners and losers in nearly every case – summed up in the image of the two-handed economist who in recommending a policy says ‘on the one hand this, but on the other that’.

## Capitalist contradictions

This is well illustrated in the current issue of how inflation is handled. A sound monetary system is an essential element of a modern economy. A key property of sound money is that its value must be relatively stable over the long term. Inflation directly threatens this in



Kristalina Georgieva, the Managing Director of the IMF

that it erodes its purchasing power meaning less can be bought with the same amount of money. Everyone understands this and everyone understands that inflation needs to be controlled. In the UK this is the job of the Bank of England which is mandated to keep inflation at around 2% per annum. It is currently over 10%, in part driving the current cost of living crisis. [1]

The 2% figure to guide policymakers is designed to avoid actions that would cause negative inflation i.e. deflation, which is considered far worse since it would lead inexorably to recession and most probably depression as in the 1930s. The 2% target was adopted by the Federal Reserve in 2012 and quickly copied by the Bank of England and then other major national banks such as the Swiss National Bank. In itself this shows the continued dominance of the US in global finance alongside the City of London. The close linkage continues as demonstrated in the decision of the Federal Reserve to raise interest rates by a quarter point on 22nd March to a new target range of 4.75%-5%, followed a day later by the Bank of England making the same rise and consequently setting the bank rate at 4.25%. The rationale in both cases was to slow, and if possible begin to reverse, the rise in inflation by

making borrowing more expensive, curtailing economic activity.

The strain such rises in bank rates imposes, the eleventh consecutive rise in the case of the Bank of England, is clear for anyone with a mortgage since their costs each month will rise either immediately, if they are on a variable rate, or when they re-mortgage. It also puts a strain on banks, increasing the likelihood of business failures and hence potential bad debt losses and forcing changes to the way they do business.

The period preceding the current rise in inflation saw inflation levels of 1% or less with corresponding low interest rates posted by central banks over many years. This encouraged banks to buy bonds. The global bond market is around US\$128 trillion which is higher than the global stock market (US\$100 trillion.) It is where governments, large firms and big banks go to borrow money. Bonds and especially long-term government bonds are considered safe investments. They work in the opposite direction to interest rates. If interest rates increase the price of bonds decreases and vice-versa. [2] The recent quick succession of interest rate rises has reduced the price of bonds. Ten-year UK government bond prices were about 20% lower in March 2023 than they were at the end of 2021. Banks were sitting on substantial ‘unrealised losses’. [3]

In the US alone these were calculated as around US\$620 billion. In the case of SVB its loss was US\$2 billion. The capital base of banks was exposed as weak. To avoid further defaults “the Federal Reserve reversed decades of orthodoxy and offered emergency lending against the full-face value of government bond holdings rather than their much lower market value” (The Guardian, 20/3/23). And it went on to state: “It points to a recognition that banks’ unrealised losses on

PHOTO BY GRANT ELLIS

their bond portfolios are sufficiently large as to represent a systemic risk that requires an extraordinary policy response". To bring down inflation governments in the major capitalist economies had to increase interest rates but this weakened the capital base of banks and threatened to bring some of them down. The two-handed economist at work – on the one hand, but on the other. Or alternatively, another capitalist contradiction.

### Fragile system

The banking crises identified above have shown the potential fragility of the banking system and the broader vulnerability of the global financial system. This was commented on in October 2022 by Kristalina Georgieva, the Managing Director of the IMF. In an address tellingly titled 'Navigating a More Fragile World' she said: "We are

She didn't emphasise 'any country' but I have done so because it would include the UK or the US or China. The US or the UK could bring down the North Atlantic economic system of which they are the key players and which nearly happened in the 2008 financial crisis. The system did not collapse then because it was bailed out in large part by the actions of China in stimulating its economy with a Keynesian style intervention. Would this happen now given current US-China hostility? Is this not one of the 'geopolitical confrontations' Georgieva speaks of?

She goes on to state: "What can we do to prevent this period of heightened fragility from becoming a dangerous 'new normal'. First and foremost, we must **stabilise** (her emphasis) the global economy by addressing the most immediate challenges. **Stay the course to bring**

sion". We meet our two-handed economist again. The goals are clear (stability and inflation reduction) but the policies contradictory.

The IMF remains the main intergovernmental organisation overseeing the global financial system. It has changed in recent years and is not quite so subservient to the US as it was some years ago, even if it still takes its lead from it. Its message needs to be taken seriously. But it cannot and will not propose the sort of policies that would guarantee a better financial stability. It relies on the assurances that the major capitalist countries have put in place strong enough measures to stabilise their own economies. Recent events have shown they have not. It requires for a start thoroughgoing reform of Wall Street and the City of London, beginning with the banks, but as past events unsurprisingly have shown, they calculate that is not in their immediate interest and so it is beyond them. Nothing substantial will happen until the next financial crisis and then the one after that until the capitalist financial system finally implodes under the weight of its own contradictions.

## The IMF remains the main intergovernmental organisation overseeing the global financial system. It has changed in recent years and is not quite so subservient to the US as it was some years ago, even if it still takes its lead from it.

experiencing a **fundamental shift** (her emphasis) in the global economy. From a world of relative predictability – with a rules-based framework for international economic cooperation, low interest rates, and low inflation... To a world with more fragility – greater uncertainty, higher economic volatility, geopolitical confrontations, and more frequent and devastating natural disasters – a world in which **any country** (my emphasis) can be thrown off course more easily and more often".

**down inflation** (her emphasis). Here the cost of a policy misstep can be enormous. Not tightening enough would cause inflation to become de-anchored and entrenched – which would require future interest rates to be much higher and more sustained causing massive harm on growth and massive harm on people. On the other hand, tightening monetary policy too much and too fast – and doing so in a synchronised manner across countries – could push many economies into prolonged reces-

[1] Many other things contribute to the cost of living crisis, above all stagnant wages and growing inequality between classes, which in the last 15 years has left British workers £11,000 a year worse off. (*BBC Panorama*, 20/3/23).

[2] A bond is a fixed-income instrument that represents a loan made by an investor e.g. a bank to a borrower (typically corporate or governmental). A good discussion with examples is given by Investopedia at [www.investopedia.com/terms/b/bond.asp](http://www.investopedia.com/terms/b/bond.asp)

[3] Unrealised losses is a banking/accountancy term for paper losses which are potential losses but not yet realised i.e. have not yet taken place but could well do so.

# TIME FOR A WEALTH TAX

by David Wickham

“No, I do not believe now is the the time, or ever would be the time, for a wealth tax” Rishi Sunak, Chancellor of the Exchequer, July 2020.

In his book, *A Brief History of Equality*, Thomas Picketty shows that the period 1918 - 1980 witnessed a marked reduction in global wealth inequality, particularly in Europe and North America. The global “redistribution” was the result of popular movements which, in the wake of two world wars, fought successfully for the establishment of progressive taxation to fund what became the welfare state.

Since 1980, however, this trend has not only gone into reverse but is doing so at an accelerating rate, fuelled first by the COVID pandemic and then by the war in the Ukraine. Nowhere is the re-concentration of wealth more starkly illustrated than the increases in the fortunes of the world’s billionaires who number roughly 2500 individuals. In its January 2021 Report entitled, “Inequality Kills”, Oxfam calculates that between 2000 - 2021, the world’s billionaires tripled their wealth from 4.4% to 13.9% of global wealth to circa \$13 trillion. During the pandemic, their wealth increased by over \$3 trillion. The increase in Jeff Bezos’ fortune alone “could pay for everyone on earth to be safely vaccinated”. Today, the wealthiest 10 billionaires own more than the poorest 40% of humanity.

Given the enormous problems facing the world - climate change, the cost of living crisis and the energy crisis - now, surely, is the time for a tax on wealth.

## Wealth tax challenges inequality

Very few countries have a wealth tax i.e. a tax on net wealth comprising physical property and financial assets. A wealth tax should not be confused with a tax on the transfer of wealth (e.g. Inheritance Tax) or with a tax on asset appreciation (e.g. Capital Gains Tax) or with a property tax (e.g. the Council Tax).

Calls for a wealth tax in the UK are not new. The idea was first mooted in the late 1940s by Cambridge economist Nicholas Kaldor. It was revived in the 1970s in the Meade Report which was subsequently shelved. More recently the idea has resurfaced in the Wealth Tax Commission’s Final Report published in December 2020.

In July 2020 the Commission asked a representative sample of over 2200 UK adults which tax increases they would most support if the government decided to raise taxes. The preferred option was a wealth tax starting at £1 million (41% of respondents) compared with increasing the council tax on properties over £1 million (21%), increasing income tax on all earners (7%) or increasing VAT (4%). The same report showed that the

popular arguments for a wealth tax centred around fairness. The top reason was that, “The gap between rich and poor is too large” followed by, “The rich have got richer in recent years. It’s time for them to give something back”, both of which reflect a concern with wealth inequality.

The Commission’s final report concluded that a one-off, progressive wealth tax would, after allowing for tax avoidance and administrative costs, yield £250 billion payable over 5 years, about 6% of the annual tax-take of £800 billion per annum or equivalent to a 9p increase in the basic rate of income tax. The tax would apply to about 3 million people with net assets over £1million.

Judging by other countries’ experience, £250 billion may be over-optimistic. In the few European countries that still have one, wealth tax yields range from 3.6% of the total tax-take in Switzerland to 0.6% in Spain. In France, which abolished its wealth tax in 2017 in favour of a property tax, the wealth tax used to generate about £5 billion per annum, about 0.5% of the total. Whatever the actual receipts, it is significant that the Wealth Tax Commission considers that the introduction of a wealth tax in the UK is not only desirable but also feasible, notwithstanding the ability of rich individuals to avoid paying taxes e.g. through the use of offshore trusts to disguise beneficial ownership. More important than

the actual receipts themselves, the demand for a wealth tax focuses attention on a small number of individuals who exercise enormous political power without any democratic accountability.

This lack of democratic accountability makes wealth taxes preferable to financial transaction taxes (e.g. the Tobin tax) and windfall taxes. Transaction taxes, mainly payable by banks, would add cost

to normal, day-to-day financial transactions which will be passed on to consumers. Windfall taxes are difficult to impose because they are easy to oppose as “discriminatory.” In Spain, for example, both banks and energy companies are mounting legal challenges against windfall taxes “to defend the interests of shareholders”. More importantly, both taxes distract political attention away from wealthy individuals and, in particular, the lack

of transparency surrounding their financial activities.

Wealth taxes will be more effective if adopted internationally because capital is highly mobile. In this context, the United States is key because it is the home of 40% of the world’s wealthiest individuals. Interestingly, Joe Biden in his most recent State of the Nation speech, called for one. All the more reason to call for a wealth tax in the UK, now.

**Calls for a wealth tax in the UK are not new. The idea was first mooted in the late 1940s by Cambridge economist Nicholas Kaldor... More recently the idea has resurfaced in the Wealth Tax Commission’s Final Report published in December 2020.**

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OECD revenue statistics. The countries with a wealth tax are Argentina, Norway, Spain and Switzerland

World Inequality Report 2022

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# Scottish Independence off the agenda

by Frieda Park

The spectacular implosion of the Scottish National Party provides an unparalleled opportunity to challenge the divisive constitutional wrangling which dominates Scottish politics and for the left to place unambiguous working-class demands at the centre of Scottish life.

The SNP's crisis has meant that its pursuit of another referendum on independence, an issue which has bitterly divided Scottish people and often contributes to an intolerant political culture, has been removed from the immediate agenda. The SNP President, Mike Russell, recently said that he did not think that independence could be achieved "right now". He also described the current situation as the biggest crisis that the SNP had faced in 50 years.

## Origins of the crisis

It was Nicola Sturgeon's sudden departure as Party leader and First Minister that precipitated this crisis. The immediate causes of Sturgeon's resignation appeared to be her miscalculation over the Scottish Parliament's Gender Recognition Reform legislation which, rather than provide a platform to launch a culture war with the UK government, instead proved massively unpopular with the SNP membership and the public at large. It was losing support for the party and for independence. People were leaving the Party. One of the first signs of the enormity of the crisis was the attempt by the leadership

to cover up falling membership numbers. Secondly, her strategy for kicking another independence referendum up the road was running out of steam and she faced defeat at a special conference on the issue by members, many of whom want a more credible and faster route to achieving independence.

However, as the crisis developed it became obvious that there were more deep-seated and serious problems which led to Sturgeon going. The unhealthy situation in which Sturgeon was Party leader and her husband, Peter Murrell, was Chief Executive led to serious problems for the Party where information was not shared even within the leadership and concerns, particularly about finances, were brushed aside. Murrell too was forced to resign. The lid has blown off the SNP pressure cooker, where a highly centralised leadership brooked no dissent, covered up problems and glibly batted away criticism.

The SNP's woes are far from over, with increasing public divisions in the party, opposition to the new leader, Humza Yousaf, and the continuing police investigation into its finances under the watch of Sturgeon and Murrell. As part of this it has emerged that £110,000 was spent on a motorhome which was parked for two years outside Murrell's mother's home. The vehicle has now been seized by the police. The party's auditors resigned in September last year, although this has only just been made public, and since then it has been unable to find a replacement. Yousaf has said he was unaware of the lack of audi-

tors until after he became leader. The Party has warned the Electoral Commission of the problem as legally it must submit its accounts to it by 7th July. There will possibly be an early bye-election in Rutherglen and Hamilton West where Margaret Ferrier, who was elected as an SNP MP, was suspended from the Commons for breaking the law in relation to Covid regulations. Revelations about the mismanagement of the SNP and of the government of the country are set to continue.

## The rise of the SNP

There can be few, if any, in Scotland and beyond who have not been surprised at the SNP's sudden fall from grace as events seem to spiral out of control. In recent years it had established a reputation, not necessarily justified, as a competent, left-of-centre operation especially when contrasted with the Tories at Westminster – a pretty low bar. This image was boosted by the two previous First Ministers, Nicola Sturgeon and Alex Salmond, who were capable, charismatic and personable.

But the SNP wasn't always like that. In its earlier years the SNP was right-wing and was commonly known as the "Tartan Tories". It was only in 1989 that membership of *Siol nan Gaidheal* (Seed of the Gaels) was proscribed by the SNP. It is variously described as proto-fascist or ultranationalist. Nazi sympathies were not uncommon in the SNP at the time of the second world war. Arthur Donaldson, who was Party leader from 1961-69, had said that a Nazi occupation would





PHOTO BY THE SCOTTISH GOVERNMENT

*Sturgeon and Salmond architects of the SNP's rise both now former First Ministers*

benefit Scotland. Though present, fascist tendencies, however, did not dominate the SNP, which from its early years was more mainstream right-wing.

What changed was some growing electoral success in the 60s and 70s and the emergence of a stronger, more coordinated left within the party. As well as a commitment to progressive policies there were those who realised that the SNP could not advance to power or independence without winning working class votes and replacing Labour as the leading party in Scotland. Shifting the SNP to the left made sound political sense. In this process the emergence of the 79 Group, called after the year of its formation, was an important milestone. Its presence, however, was not welcomed by the right-wing SNP leadership and the group was proscribed in 1982. Some of its leading members, including Alex Salmond, were expelled, though later readmitted to the Party. Once back in the SNP, Salmond was elected to the UK parliament as MP for Banff and Buchan

in 1987, then going on to win the leadership contest of 1990 against the establishment candidate Winnie Ewing.

Thereafter under Salmond's leadership the SNP set out to present itself as a left alternative to Labour, a project which was enabled by the failures of New Labour and in particular the Iraq war. While disillusioned Labour voters in England had nowhere else to go, other than not vote, in Scotland there was the SNP and the prospect that independence could offer a different future. In addition the creation of the Scottish Parliament in 1999 gave the SNP a platform on which they could present themselves as the voice of the nation.

The SNP started out at the first Scottish Parliament election in 1999 with 35 seats to Labour's 56, but only two elections later, by 2007 the SNP gained one more seat than Labour to become the biggest single party on 47 seats. It made further progress after that, gaining an absolute majority of seats in

2011 – the jumping off point for the independence referendum of 2014. Although the SNP dropped back slightly after that, it has remained easily the biggest party in Holyrood. It achieved its aim of replacing Labour, which trailed in third place behind the Tories at the last Scottish elections.

Their most stunning success came at the 2015 General Election where the party won 56 seats, leaving Labour, the Tories and the Lib Dems with only one seat each. They have not quite sustained that peak success, but even at the last election they won 48 seats with Labour 4th with only 1 seat.

Since it came to dominate the political scene the SNP, under Alex Salmond and Nicola Sturgeon, succeeded in welding national aspirations to progressive aspirations among much of the population and the left. There was a misplaced belief, not only within Scotland, but also beyond, that Scotland was a different sort of place, led by different sorts of politicians

which, as an independent nation, would become a social democratic haven, contrasting with the Tories' domination in England. Among the radical left there was a belief that independence would change things sufficiently that a new socialist movement would emerge, with the SNP splitting and not then being dominant.

## Things are different now

Things look rather different now, but even at the time these arguments were flawed, based on a natural hope for something better but without any real evidence that Scotland would shift so dramatically after independence. If that were so, then why not before? It was also based on an undeserved reputation for competence ascribed to the SNP. Much of this was due to Sturgeon's presentational skills and the tight discipline imposed in the party, which allowed no dissent. So there was little challenge to the central myths of SNP progressiveness and competence, though even before this crisis it had begun to unravel a bit.

Despite their defeat at the independence referendum, which led to Salmond's resignation and Sturgeon replacing him, the SNP and the constitution have continued to dominate Scottish politics. A generation of young people have come of age with this as the defining political terrain rather than that of class.

Despite the unravelling of the SNP just now there is little thinking on the left about using this opportunity to recast the discussion to move away from the failed and divisive constitutional politics of recent decades. In particular there is now the chance to be more critical of the SNP's record and to pick apart the conjoining of progress and independence. Prior to this any critique was muted as criticism of the SNP was seen to be an attack on the independence project. So people self-censored and critics of the SNP



The M V Glen Sannox 2017 spruced up for the official launch that year by Nicola Sturgeon. The windows on the bridge are painted on. It is still under construction today

PHOTO BY DAVE SOUZA

were disbelieved or condemned. That has now fallen apart as the SNP slugs it out in internal warfare. It is incumbent on the left to have its own class critique of the state of Scottish politics, independent of the different possible constitutional options that people might favour.

## SNP record

The history of the SNP has shown that it is not automatically to the left and that nationalism can take on many hues. The SNP's current reputation for being to the left is built on some slender achievements, a lot of anti-Tory rhetoric and is belied by the appalling state of public services, actual pro-capital economic policies and incompetent management.

To set these out would require an article in itself, but some headlines include:

A failing NHS and public health system. A recent report from The Health Foundation stated that life expectancy in Scotland has declined by 4.4 years since 2013 and there has been a persistent increase in inequality, especially child poverty. This is worse than other parts of the UK. The problems that plague

the NHS more generally are also bad in Scotland – ambulance waiting times, people waiting for treatment etc.

Educational attainment has been declining for years in Scotland. By 2019 it was performing just behind England. Though reading had improved a bit that year, maths and science had continued to decline. In 2021 the education system in Scotland was condemned in an OECD report as not keeping up with developments in education.

The SNP's proposals for a so-called National Care Service have been universally condemned by trade unions and care providers. It proposes to centralise the current patchwork of provision, retaining the private sector.

A complicated bottle recycling scheme pioneered by the Greens in government with the SNP is widely recognised to be unworkable, though the Greens are keen to press ahead Yousaf has said it needs to be reviewed. At the Green's insistence Humza Yousaf has announced a legal challenge to the UK government's blocking of the Scottish Parliament's proposed

legislation on Gender Recognition Reform. This challenge stands zero chance of winning and will be hugely costly defending an unpopular policy.

In terms of incompetence there is also the terrible situation relating to Western Isles ferries which are absolutely essential for islanders to access services on the mainland and for the economy, especially tourism. Two new ferries were commissioned by the Scottish Government in an at best flawed, at worst corrupt, process. The first ship was due to be in service by mid-2018, but 5 years later neither it nor its sister vessel are yet operational and the costs have spiralled. The original contract was awarded for £97 million. By the end of September 2022 the costs had risen to £340 million. Audit

land, especially the need to cut the budget deficit implying a massive cut in public expenditure otherwise known as austerity.

During the leadership race, Kate Forbes, who made much of her pro-business credentials, won 48% of the vote. Whilst she was overtly the most pro-business, the winner, Humza Yousaf didn't put forward a programme which would challenge the status quo.

Then there was the sell-off of the seabed of the North Sea at knock down prices to renewable energy companies, a classic pro-capital privatisation. Like all privatisations the plots have been sold for a one-off fee. In other words the Scottish people get a single payment, while the companies continue to reap profits for ever into the future. In

unfulfilled as the dominant sector of the nationalist movement, despite some social democratic trimmings, is pro-capitalist.

Hence in the name of working class interests, working class voters were voting for capitalist interests. This is hardly an unknown phenomenon. It is how capitalist electoral politics works - but we should be clear that in this respect Scotland is no different from anywhere else.

Scottish opinion remains almost evenly divided for and against independence. That has fluctuated but has not substantially changed in recent years. A way out of this fruitless division would be a positive change. Many still support independence but without the SNP providing clear and credible leadership towards that goal it is more likely, for the time being, to be a general aspiration than an immediate political prospect. So now there is an opportunity to show that what independence supporters want in terms of a better future, can be achieved by refocusing from the constitution to class politics.

We might not be able to immediately break out of the deeply embedded constitutional framework of Scottish politics, but we can begin to challenge it with a class based political agenda independent of whatever constitutional solutions people support and regardless of which party is in power. The left can now think beyond appealing not only to those who support independence or further devolution but also to those who are against these and still want to see their lives improve. Bringing together supporters and opponents of independence for working class, anti-capitalist objectives will trouble capitalism more than the SNP has done.

## Despite their defeat at the independence referendum, which led to Salmond's resignation and Sturgeon replacing him, the SNP and the constitution have continued to dominate Scottish politics.

Scotland announced in November 2022 that it was unable to account for £128.25 million in public money spent on the ferries by their builder, Ferguson Marine. It was also unable to trace how a £30 million Scottish Government loan to Ferguson was spent. Meanwhile ferries in the existing ancient fleet often break down leading to cancellation of services. There is now talk of the army being drafted in.

There is plenty of other evidence for the pro-capitalist policies of the SNP. It is there to be seen in its Sustainable Growth Commission Report of 2016 which prescribed fairly standard capitalist economic policies for an independent Scot-

this case the sell-off netted just under £700 million pounds, describe by critics as a "pittance".

The SNP/Green Government plan to establish Scottish Green Freeports. Sticking Green in the name and including warm words in the prospectus do not change the essential nature of the freeport beast, which is a neo-liberal project to reduce standards and help transnationals avoid taxes.

### Put class first

Despite the actual track record of the SNP, class aspirations were merged into national aspirations but were always likely to remain

# The Housing Crisis

In these three articles Pat Turnbull explores some of the urgent issues facing renters and house buyers in the current housing crisis.

## The attack on social housing

Speaking at a recent webinar, John Hendy KC outlined how from 1945 into the 1970s, working-class incomes slowly increased along with the share of gross domestic product paid in wages. At the same time the share of GDP which went to profits decreased. Capitalism decided enough was enough and reversed the process. The price of labour must be driven down, and profits driven up. The attack on trade unions was intended to weaken working class resistance to the process. [1]

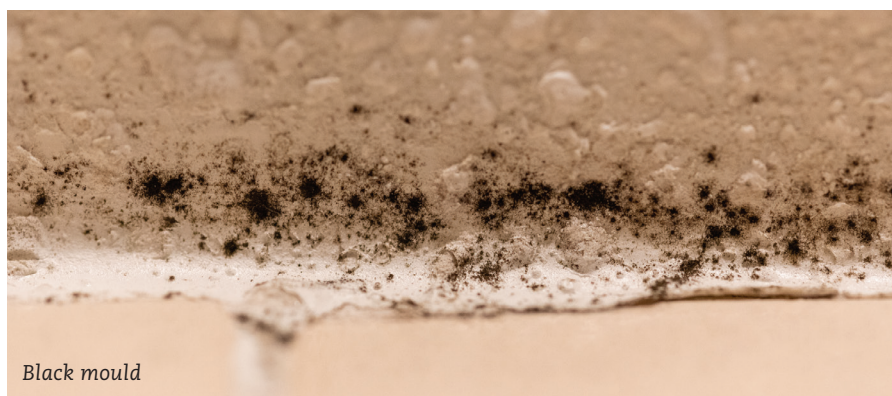
Along with the direct attack on workers' wages came the attack on the social wage, and as part of that, the attack on housing. Whereas in the period after 1945 building public housing with government funding was prioritised, from 1979 onwards the stock of public housing was eroded in all kinds of ways, and housing for profit took centre stage. The promotion of the Right to Buy council homes, the deliberate failure to replace them with new council stock, the transfer of council estates to housing associations, the starvation of funding for building and maintaining council and housing association social rented homes – these all mean that the capitalist market dominates the supply of housing, and that there is a crisis of provision of secure housing at rents people can afford. The figures speak for themselves – take England: in 1979, 31% of households lived in so-

cial rented accommodation, at the time almost entirely council housing; in 2018/19 it was only 17%. [2]

### Substandard conditions

Housing hit the headlines in 2022 when a Rochdale coroner decided that little two-year-old Awaab Ishak had died in 2020 due to a severe respiratory condition caused by untreated mould whilst living in a social housing property. But the problem is much wider than Rochdale. In 2020, 11% of homes in the social rented sector failed to meet the Decent Homes Standard. [3] Investment in repairs of social

homes had a damp problem, compared with 2% of owner-occupied homes and 4% of social rented homes. The charity Generation Rent is calling on the government to extend 'Awaab's Law', which would set strict timescales for social landlords to respond to complaints about damp and mould, to private landlords. Private tenants are discouraged from reporting problems with their homes by Section 21 so-called 'no fault' eviction, which means they can lose their home with little notice for no stated reason. So the 1,106 private rented homes found in 2021-22 by councils in England to have levels of damp



Black mould

PHOTO BY TONY WEBSTER

housing stock is 33% below target. [4] At the same time the cost of repairs and maintenance works has increased well beyond inflation levels, and VAT on retrofitting and refurbishing is currently 20% whilst there is no VAT on new builds.

The issue of damp and mould in private rented accommodation, which more and more people are forced into, has received less publicity. The English Housing Survey found that 11% of private rented

and mould so dangerous that they present an immediate threat to health and safety is likely to be the tip of the iceberg. Nevertheless, Generation Rent found that while 81 councils identified a total of 9,033 Category 1 hazards, they issued just 2,179 improvement notices. [5]

### Lack of social housing

Housing charity Shelter reports that in England over a million households are waiting for social rented

homes, while last year 29,000 social homes were sold or demolished and fewer than 7,000 were built. Since 1980, millions of households have been pushed into the poorly regulated, expensive, insecure private rented sector which has more than doubled in this time. The Ministry of Housing, Communities and Local Government reports that since 1991 there has been an average annual net loss of 24,000 social homes. The results: in 2019-20 40,000 households were homeless, and in 2020 95,000 households were in temporary accommodation. According to the English Housing Survey, since 2000 the percentage of tenants in overcrowded homes increased from 4.5 to 7.6. In 2000, homes for sale cost four times the average salary: by 2021 this had increased to eight times. In the 1960s three million homes were built in England. Since 2010 it has been just 1.3 million. So this scarce product has become ever more expensive. [6]

Temporary accommodation is often far from temporary and causes families great hardship. A study by Shelter shows a 67% rise in the numbers in temporary accommodation over the past ten years, and that this affects more than 125,000 children. Over a third of children have missed more than a month of school after being placed in temporary accommodation. The cost of temporary accommodation has also spiralled, hitting £1.6 billion last year, a rise of 61% in five years, with this money going into the pockets of private landlords. Of the families in temporary accommodation 68% spend more than a year in this temporary housing. They are often shuffled between properties with short notice, in poor quality temporary flats, hostels, bedsits and hotel rooms which lack basic cooking and laundry facilities. [7]

Shelter Scotland reports a similar situation. In December 2022 Deputy First Minister John Swinney announced a 16% reduction in the budget to deliver social homes, but

open homelessness cases increased by over 10% in the six months between March and September 2022. As of September 2022 there were 9,130 children living in temporary accommodation, the highest number on record which represented an increase of 120% during Nicola Sturgeon's time as First Minister. [8]

Flying in the face of the disastrous situation, the UK government's Spring Budget 2023 maintained the freeze on housing benefit despite rising rents, and offered no investment in new social rented housing or in maintaining existing social rented homes. Following the forty-year trend of transferring funds from the people to the profiteers, the government will spend £9 billion a year on 100% tax relief on corporate investments.

### Public sector starved of funds

The case of Awaab Ishak, the little boy who died on 21st December 2020 as a result of a severe respiratory condition, turned the spotlight on housing in his home town of Rochdale, a former mill town, one of the de-industrialised towns of the north. Awaab's father had been complaining about the mould in the one-bedroom flat since 2017. The coroner reported that his home had 'inadequate ventilation and was not equipped for normal day-to-day activities which led to excess damp and condensation.' In December 2020 a surveyor described the conditions at his home as 'unfit for human habitation'. [9]

Rochdale Boroughwide Housing (RBH), the landlord of the property, has more than 12,000 properties across Rochdale, all former council housing. RBH became fully independent of Rochdale Council in 2012. In a statement issued in August 2022, an RBH spokesperson said: 'Historic under-investment in housing by successive governments, coupled with age and type of much of the UK's housing, has contributed to

the multi-faceted housing crisis the UK faces today. Housing associations and councils across the UK face specific challenges around the type and quality of their homes, their ability to meet current and future housing needs, the need to rise to the climate emergency as well as building much needed affordable new homes'. Unfortunately the government has failed to rise to the challenge. Former housing secretary Robert Jenrick, speaking in July 2021 to ITV's Daniel Hewitt said, 'This is about neglect. This is about a lack of compassion and poor management in a small number of councils and housing associations.' [10]

No, Mr Jenrick, it's about a deliberate policy of successive governments to starve the public housing sector of finance and promote the growth of the private housing sector where the big profits are to be made. Awaab Ishak is one of the victims.

[1] Hard Up? Who is to Blame? The Economic Consequences of the Anti-Union Laws. Webinar 27/3/23. Campaign for Trade Union Freedom, Socialist Economic Bulletin

[2] The Better Social Housing Review, National Housing Federation and Chartered Institute of Housing. December 2022

[3] Department for Levelling Up, Housing and Communities, July 2022, English Housing Survey: Social rented sector 2020-21.

[4] Inside Housing, 6/9/22: RSH quarterly survey: inflation and labour shortages bring repairs investment 33% below target

[5] Generation Rent, 14/3/23, Will Barber Taylor

[6] Social Housing deficit – Shelter England

[7] Families in temporary housing harmed by hit to schooling, study finds. The Guardian, Patrick Butler 9/3/23

[8] Next First Minister being 'set up to fail' on homelessness, says Shelter Scotland, Scottish Housing News 21/2/23

[9] Wikipedia

[10] Manchester Evening News

# Help to buy financial trap for borrowers

In 2021, London Tenants Federation, the London Federation of Housing Cooperatives and the National Federation of Tenant Management Organisations published the London Tenants' Manifesto. It argued for 'a return to large scale publicly funded provision of good quality social rented homes, where people can comfortably raise their families and from which household members can play an active role in their communities'. Instead: 'Public subsidy has been increasingly levered in to prop up a failing housing market through schemes such as Help to Buy, Starter and First Homes as well as shared ownership'. [1]

## Help to Buy

One of these schemes, Help to Buy, ended on March 31st this year. Started by then Chancellor George Osborne a little over a decade ago, it granted 375,654 interest-free equity loans to buy new-build properties, according to figures which cover until the end of September 2022. First-time buyers accounted for 84% of the uptake and on average they borrowed £63,000 on a typical purchase price of £273,500. A total value of £23.6 billion was lent out. George Osborne argues that it has 'helped hundreds of thousands of families buy their own home and supported thousands of construction jobs'.

However, readers will note that in many parts of the country £273,500 would not buy a garret. £23.6 billion could have built quite a few council houses. A report in January 2022 by the House of Lords Built Environment Select Commit-

tee found the loans inflated prices by more than their subsidy value in areas where it was needed most, concluding that 'this funding would be better spent on increasing housing supply' directly, through local authority and housing association building projects.

## Problems for borrowers

An investigation by consumer group Which? in 2020 found one in seven homes bought under the Help to Buy scheme lost value, trapping owners in unsellable properties. In a recent report for the Joseph Rowntree Foundation, Lloyd and Grayston say: 'Rising costs disproportionately impact particular groups of owners and those who have recently bought through Help to Buy, especially those using larger equity loans in London. The result will be more homeowners who find themselves struggling with their mortgage costs but are unable to move easily to a more affordable home.' [2]

Helen Crane in *This is Money* (1/6/21) outlined some of the problems Help to Buy owners face.

'Those who bought properties using the scheme years ago face paying back more than they initially borrowed on initially interest-free taxpayer loans, due to accelerating house prices and loan amounts being based on a stake in their home. House prices increased by more than 10% in the year to March 2021, according to the ONS (Office for National Statistics) figures, bumping up the value of the government's stake in homes bought with Help to Buy Equity Loans....In London, loans can be up to 40% of the purchase price due to higher property values. But instead of loans being a set amount borrowed, as a mortgage would be, they are taken as a stake in the property - meaning that as a home rises in value, so too does the amount needing to eventually be repaid to the state. So if a borrower

took 20% of their original deposit from the Government scheme, they would pay back 20% of what their house is worth today.

'If house prices go down, you have the opposite problem. You may pay back less or a similar amount to what you borrowed, but you won't have built up much equity in your home - meaning you could struggle to get your next mortgage and leave the Help to Buy scheme.

'[Interest on a Help to Buy loan] can quickly spiral. The interest rate starts at 1.75% in year six, and after that it rises in line with the Retail Price Index measure of inflation plus 1% each year. For someone who bought a £200,000 home with a 20% (£40,000) Help to Buy equity loan, they would pay just a £12 management fee each year in years one to five. But in year six that would rise to £712, and in year 10 to £896 - on top of mortgage payments. In London where buyers can borrow up to £240,000, the costs could be much higher.' [3]

This is all in the context of the Bank of England raising interest rates to their highest level for 14 years. Just under a third of households in England have a mortgage, according to the government's English Housing Survey. The Bank of England says up to four million households face a higher monthly mortgage bill this year. 'An estimated 356,000 mortgage borrowers could face difficulties with repayments by July next year, according to City watchdog the Financial Conduct Authority....An average two-year fixed deal, which was 2.29% in November 2021, is now 5.32% - potentially a difference of hundreds of pounds each month in repayments for a typical borrower.' [4]

Virginia Wallis explained in *The Guardian's Ask the Experts* column in December last year how this affects Help to Buy customers: 'You are right that in year six of a help-to-

buy loan the interest rate charged is a low 1.75% (years one to five are interest free) but from year seven, the interest rate charged on a help-to-buy loan goes up by the consumer prices index (CPI) plus 2% (as at April in any given year). As the April 2022 CPI rate is 7.8%, it would mean that, from year seven, the interest rate would increase by 9.8% to 1.92% and then by whatever CPI plus 2% is in future years.' [5]

## Not the answer

The shortage of social rented housing – council housing as it used to be called before the housing associations were roped in as major providers – forces people who have got the deposit and can get a mortgage to buy. But millions aren't in this position and thousands who are, stretch themselves to the limit. The 2008 crash was caused by unscrupulous lenders persuading people to take on mortgages they could not afford. Help to Buy and schemes like them are not the answer to the housing crisis.

[1] A positive future for social housing in London: The London Tenants' manifesto, *London Tenants Federation website*, 19/1/21

[2] 10 years on, what did George Osborne's Help to Buy scheme really achieve?, Phillip Inman, *The Guardian*, 31/3/23

[3] [www.thisismoney.co.uk/money/mortgageshome/article-9621947/Help-Buy-owners-rising-house-prices-bumped-debts.html](http://www.thisismoney.co.uk/money/mortgageshome/article-9621947/Help-Buy-owners-rising-house-prices-bumped-debts.html)

[4] UK interest rates: what the rise means for you, Kevin Peachey, BBC, 23/3/23

[5] Should our savings go towards the help-to-buy loan or overpaying a new mortgage?, Virginia Wallis, *The Guardian* 5/12/22

## Cost of building and repairs escalates

Councils, housing associations and developers are complaining that the costs of building and repairs have risen at more than the rate of inflation. Kate Henderson, the Chief Executive of The National Housing Federation which describes itself as the voice of England's housing associations, said in an article of 26/8/22 entitled 'Housing association costs rising faster than inflation', that 'This is...on top of the pressures of building safety cost and the cost of retrofitting homes.' Building safety includes changes resulting from long overdue legislation to partially reverse the dangerous results of governments 'cutting red tape'. Retrofitting is being urged to reduce energy consumption and emissions. These are costly changes with inadequate extra government funding to finance them.

## Materials, supplies and labour

Woodgate and Clark describe themselves as 'a dynamic, highly responsive loss adjusting and claims management business with over 40 years' experience'. [1] Their 'Building repair costs update: July 2022', published 15/7/22 reported that while only 1.5% of the UK's imported construction materials came from the Ukraine and Russia, over 13% of steel reinforcement and over 9% of asphalt products came from these countries. In addition, the European market has been heavily reliant on imports from Russia so supply from the EU has become increasingly difficult. The article adds: 'This is all compounded by the rise in inflation across all EU economies and nine of the top ten countries (China being the exception) the UK imports from, are European...Taking Turkey as an

example, inflation is estimated to be 49 points higher than the 10-year average, and this is where 47% of the UK's imports of radiators and 36% of steel tube comes from.'

The article reports: 'Labour shortages in the UK worsened in the final quarter of 2021, with job vacancies hitting a record high of 1.2 million, more than double their level a year before, the ONS [Office for National Statistics] said. Construction job vacancies stood at 42,000, slightly down from the peak in Quarter 3 of 48,000 but just over 60% higher than Quarter 4 of 2019, before the impact of the pandemic and the UK's exit from the EU.' Apparently 'incentives [are] being offered to potential apprentices such as financial assistance with training, guarantees of roles on completion of training and more advertising of the benefits of working in construction.' However, there is 'no immediate prospect of it having a positive effect'.

The article predicted 'what we are likely to see: builders reluctant to provide a firm price because of material cost fluctuations, and difficulty finding a builder to do the repairs' and recommended 'One option is to minimise replacement and consider more repairs'.

## Impact of energy costs

On 1/2/23 Woodgate and Clark published a further 'Property Repair Costs Update from Nick Turner: January 2023'. Loss of Russian gas would affect materials manufactured in Europe and imported into the UK, 'which is around 60% of all construction materials'. Wholesale gas prices had increased from 48.29p per therm in February 2021 to 592.56p per therm in August 2022.

The article reported that with the majority of construction materials being imported to the UK (60% from Europe and 20% from China) shipping costs are a major factor. The International Monetary Fund reports that shipping costs, which

dramatically increased during the pandemic, remain high, which it puts down to the world economic situation and the war in Ukraine. Even transport costs in the UK have risen dramatically due to rises in fuel costs. Logistics UK reported that during 2022, compared with the previous year, overall costs had increased by 25% or more. Bulk diesel prices, diesel being about 30% of the cost to operate a vehicle, have risen by almost 50%.

Woodgate and Clark gave the glazing industry as an example. Clayton Glass is one of the UK's largest and oldest independent glass producers and in a communication to their customer base they have estimated that the cost of their combined energy usage could potentially rise up to eight-fold. Around 20% of the cost of glass is gas used in the manufacturing process. Two Russian gas plants have now been sold by Guardian, one of the largest gas producers in the world, as a result of the Ukraine conflict. This has reduced the supply previously going into eastern Europe. There are alternative quotes from the far east and middle east but the cost of container shipping stops this from being a viable alternative. The Energy Surcharge on raw glass was introduced in late 2021 and at the time of the article reflected a premium on raw glass of around 25–30% additional costs. There is a world-wide shortage of PVB (polyvinyl butyral) interlayer used in laminate glass. Changes in legislation in June 2022 (Building Regulations – Document Q) increase the need for laminate with no additional supply available.

In July 2022, plasterboard, used for quick installation of walls, partitions and ceilings, increased in cost by around 25% and is set for further increases in 2023. UPVC (unplasticized polyvinyl chloride) products, mostly window frames and sills, increased by 20% in 2022. Timber products, 90% of which are imported to the UK, increased between 15% and 20% in 2022. Plumbing



PHOTO BY KLEON3

Building site in London

and drainage products increased between 20 and 30%, clay drainage products by 50%, steel products by up to 22%, bricks and blocks by between 15 and 20%, concrete products such as kerbs by up to 25%.

### The end sufferers are likely to be tenants waiting even longer for essential repairs and refurbishment.

Once again labour costs come into the equation. ‘Some UK manufacturers are bracing themselves for a potentially significant increase in wage costs’. This arises from the ‘shortage of skilled workers... trades...surveyors, engineers, site managers’ etc. But also: ‘All industrial commentators are saying that 2023 is likely to also see significant inflationary pressure on the labour market, as the cost of living crisis begins to put pressure on households.’

The report adds: ‘We must also be aware of situations where the less scrupulous may try and take advantage of this cost uncertainty and add costs purely for additional gain.’

### It could be different

No doubt many of these imported products could be produced in the UK if the British capitalist class hadn't run down Britain's productive industries. Young workers could have been trained in the building trades if the UK's building giants hadn't preferred to employ ready-made workers from other countries, often already highly trained, especially from former socialist Eastern Europe, and willing to put up with poor wages and working conditions because of the lack of jobs in their own countries. Building colleges could have been kept open and publicly paid for, instead of being closed down. Wages and working conditions in the building industry could have been improved to make the industry more attractive. The EU could have resisted shooting itself in the foot by sanctioning Russia.

The end sufferers are likely to be tenants waiting even longer for essential repairs and refurbishment.

[1] Founded in 1978, in 2015 Woodgate Clark became part of the Van Ameyde Group, ‘a European leader in claims management’ with 46 businesses in 28 countries



# Right-wing indoctrination in US education

by Clare Bailey

'If our kids don't grow up understanding America is an exceptional nation, we're done.'

Ex-Secretary of State Mike Pompeo  
21 November 2022

The American public education system is under attack on a number of fronts. In many states, classrooms and school libraries have been turned into battlegrounds where campaigns to establish 'patriotic education' have been rapidly gaining ground.

## School board takeovers

Steve Bannon, tireless instigator and coordinator of ideological conflict on behalf of the more far-sighted and ambitious elements of the American right, said in a podcast in May 2021: 'The path to save the nation is very simple – it's going to go through the school boards.'

The American public school system, less centralised than in the UK and France for example, gives individual counties (within individual states) powers to examine and set the curriculum, to access records, to review and select books. The school boards – elected by local vote – give parents a decisive voice in many of these cases. Bannon is not the only actor to have targeted them for particular attention. Trump's Secretary of State Mike Pompeo, who has been courting the evangelical right assiduously for many years, has had them in his sights for a while. In May 2021, speaking to the Family Research Council, a religious organisation which has been designated a hate group by anti-racist campaigners,

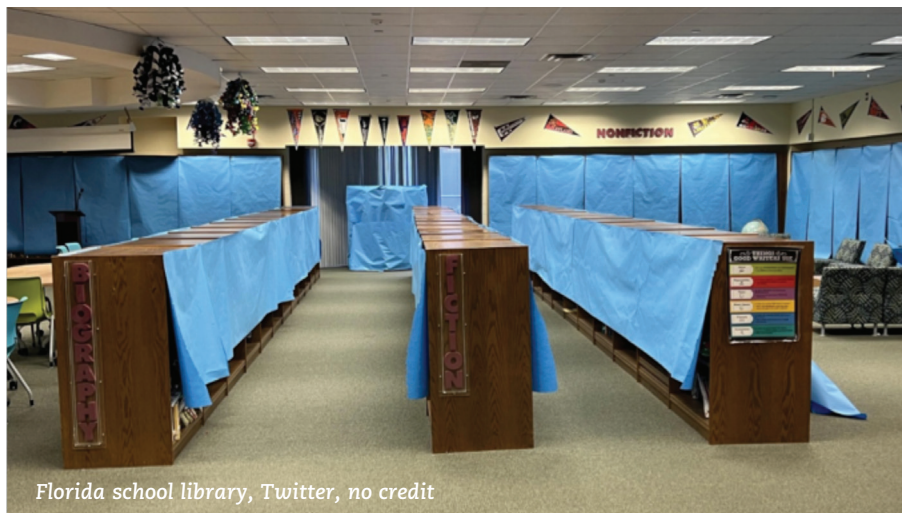
Pompeo urged listeners to 'First, speak your faith... Second, live it. Run for school board.'

## Censoring books

Campaigns to take over school boards are well-orchestrated, often run by groups like No Left Turn in Education, which organises parents to fight for the removal of lessons on systemic racism from the curriculum. At least 10 states have passed laws giving parents more power over which books appear in school libraries. In one district in Texas school librarians have ordered 6000 fewer books in 2022 than in 2021 because under a new ruling parents must be given 30 days to review titles before the school board votes to approve them. In Florida many school librarians have had to stop ordering books altogether while they wait to go through a retraining programme and library shelves have been covered pending state governor DeSantis's approval – via 'media specialists' – of individual titles. One Florida pastor has described this as welcome scrutiny

conducive to 'pristine' school libraries. A maths teacher who posted a video of empty library shelves has been fired.

In the face of increasingly confrontational school board meetings, some school principals are playing safe. Librarians report having to submit book orders to their principals for approval and finding them returned with many titles crossed out. Hostile boards also inundate districts with time-consuming records requests and bring cases alleging discrimination against white students. In Florida, two years ago, DeSantis said he would get the 'political apparatus involved so we can make sure there's not a single board member who supports critical race theory'. Critical race theory is an academic term used in law schools, highjacked by the far right and used to attack any curriculum that addresses the history of racism in the US. The Nevada Family Alliance has called for placing body cameras on teachers to ensure they are not teaching critical race theory.



Florida school library, Twitter, no credit

Over the past two years, thousands of books have been targeted. According to PEN America, in the period July 2021 to June 2022, 2,532 individual books were banned by school districts and it also records that the attacks are coordinated and ‘narrowly focused on LGBTQ issues and the origins of racial tension’. According to journalist Benjamin Wallace Wells, students are being cut off from anything that addresses historical responsibilities ‘as if, with each generation, America were created blameless and new.’

## Patriotic myths

‘We have to protect our kids from some very pernicious ideologies that are trying to be forced on them all across the country.’

Ron DeSantis

In June 2021 Florida’s Board of Education passed a rule banning the teaching of systemic racism and in April 2022 DeSantis signed off the Individual Freedom Act (also known as the Stop W.O.K.E. Act), which states that students must not feel ‘guilt, anguish or other signs of psychological distress while learning American history.’ This law is widely considered to be impossible to implement – what it’s designed to do in reality is make teachers, especially teachers of history and civics, police themselves and classroom discussion for fear of breaking a deliberately vague law.

It’s worth noting that Native American history is nowhere mentioned in these laws and confected conflicts: ‘It doesn’t take a law to erase Native history from most classrooms – it already isn’t there.’ (Maggie Blackhawk, Professor of Constitutional and Federal Indian Law at NYU)

Universities and colleges are also under fire. HB999, due to pass into Florida law on July 1st 2023, is less vague. [1] It radically revises existing education law, removing all reference to citizen involvement

and public service, and completely removes faculty members from employment processes. Colleges would not be able to run courses that ‘espouse diversity, equity, and inclusion’. Seizing the right to determine what history is, it establishes the Florida Institute for Governance and Civics that will ‘develop academically rigorous scholarship on the origins of the American system of government, its foundational documents, its subsequent political traditions and evolutions...’. It states that core courses may not ‘include a curriculum that... defines American history as contrary to the creation of a new nation based on universal principles stated in the Declaration of Independence.’

The American Historical Association of academics and teachers has expressed its ‘horror’ that the legislation would give politically appointed boards the power to dictate how America’s history is taught at the state universities, while the American Federation of Teachers (AFT) and the American Association of University Professors have issued a joint statement warning that this bill ‘would make Florida’s colleges and universities into an arm of the DeSantis political operation.’ Randi Weingarten, president of the AFT, was singled out by Pompeo in an interview in November 2022 in this way: ‘I get asked “Who’s the most dangerous person in the world? Is it Chairman Kim, is it Xi Jinping?” The most dangerous person in the world is Randi Weingarten. It’s not a close call. If you ask “Who’s most likely to take this republic down?” It would be the teachers’ unions and the filth that they’re teaching our kids...’

## Reactionaries in Britain

Meanwhile in the UK, Gillian Keegan (Education Secretary) and Kemi Badenoch (Business Secretary), both committed protectors of children from pernicious ideologies, announced in a press release on March 31st that a review of

relationships, sex and health education (RSHE) will be undertaken by ‘an expert panel in response to concerning reports of inappropriate content being taught.’ [2] The ‘concerning reports’ are not quoted, ascribed or properly cited. The aim will be to put safeguards in place to ‘stop pupils from being taught contested and potentially damaging concepts.’ A pristine curriculum. In the same statement, they further announce that Oak National Academy will develop new curriculum materials and ‘compliant resources.’ Oak, set up during the pandemic to provide teachers with online lessons, is now designated ‘an independent public body’ whose only shareholder is the Secretary of State for Education. This stalking horse will soon be siphoning off public funds and developing materials not just for RSHE but across the whole curriculum. It has a big list of ‘partners and stakeholders’ all lining up for a cut of the £42 million it has so far secured from government. The Business Case it put to government finishes up with this strikingly candid description of intent to deceive teachers, who would feel wary of an openly government-led project: ‘...the success of Oak [in securing teacher interest during the pandemic] has created a unique opportunity to create a system leader that could secure this vital buy-in from teachers ... and avoid the barriers of trust and credibility with teachers associated with a DfE-led intervention’. The names of the key players in the Oak Business Case have been redacted. [3]

[1] Florida’s HB999 <https://m.flsenate.gov/session/bill/2023/999/billtext/filed/pdf>

[2] Keegan/Badenoch press release <https://www.gov.uk/government/news/review-of-relationships-sex-and-health-education-to-protect-children-to-conclude-by-end-of-year>

[3] Oak Business Case [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1114759/Oak\\_FBC.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1114759/Oak_FBC.pdf)

# ACADEMY SCHOOLS

by Milly Cunningham

'An academy school in England is a state-funded school which is directly funded by the Department for Education and independent of local authority control.' (*Wikipedia*)

'Currently, around 80% of English secondary schools and nearly 40% of primary schools are academies.' (*World Education Blog*)

'The first three academies opened in 2002; they were The Business Academy in Bexley, Greig City Academy and the Unity City Academy. The Business Academy, Bexley also became the first 'all-through' academy when a primary section was added in 2004. By 2006 there were 46 academy schools in the UK.' (*Politics.co.uk*)

## Academy experiences

London Borough of Hackney's first 'flagship' academy, Mossbourne, opened in 2004, in a Labour borough, under a Labour government. Its head was Michael Wilshaw, later to become head of Ofsted, the schools' inspectorate. His motto was 'constant surveillance' and that's how this new school, on the site of the former Hackney Downs Boys' School, was built. It set the pattern for subsequent new academy buildings in Hackney and probably elsewhere.

There are windows all along the corridor sides of the classrooms. The banisters on the stairs are closed in so that pupils cannot make eye contact with those above or below them. The school is built round a huge atrium where everyone can be observed. There is a balcony along the side of the school overlooking the playground for teachers to have oversight and children are not

allowed to gather in large groups. The sixth form head's office is above the sixth form pupils' study room with gaps in the flooring so that he/she can see what is going on below. There is no staff room. There are small, glass sided teachers' offices near each subject area classrooms.

The most recent secondary academy in Hackney is the City Academy Shoreditch Park, built on what were the grounds of the now demolished Britannia Leisure Centre. An expensive replacement leisure centre was built on the neighbouring Shoreditch Park. 314 flats for sale on the market, 51 social rented homes, and 30 shared ownership homes are due to be built next door to the school, where the leisure centre used to be. There will be three towers 25, 20 and 10 storeys high.

Until recently the mantra from Hackney Council was how terrible schools used to be in Hackney and how great they are now. Exclusion rates from academies, particularly of black boys, started to tarnish this picture somewhat. But the case of Child Q, a black girl, strip searched by police in 2020 for suspected possession of drugs in a Hackney secondary academy has blotted the academies' copybook considerably. No drugs were found and the academy has still not been publicly named.

City Academy Shoreditch Park is part of the City of London Academies Trust. The Trust already had the City Academy Hackney, opened in 2009 in a new building, on the site of a previous state local authority boys' secondary. The

...the case of Child Q, a black girl, strip searched by police in 2020 for suspected possession of drugs in a Hackney secondary academy has blotted the academies' copybook considerably.

This school appears not to have been needed and looks like a lever to get agreement for the demolition of Britannia Leisure Centre and in particular the construction of the market homes, which the council hopes to sell at a profit. The council was the developer and its planning application said there were 41 secondary schools within a three mile walking distance which could take 5100 more pupils and still not be full. So the new school threatens the existence of other neighbouring schools, especially now that Hackney is experiencing falling rolls at primary level and is talking of closing or amalgamating six primary schools.

school is sponsored by the City of London Corporation and KPMG. The Trust also runs the following City of London Academies: Collegiate Sixth Form, Galleywall Primary, Highbury Grove, Highgate Hill, Islington, Newham Collegiate Sixth Form, Redriff Primary, and Southwark. Like Mossbourne and City Academy Hackney, most of these are on the site of former state local authority run schools.

The standard lease of land to an academy is 125 years at a peppercorn rent.

# IRELAND

## The Windsor Framework and the Good Friday Agreement

by Ernest Walker

In an interview given in September 2020, just weeks before the Northern Ireland Protocol came into effect Jeffrey Donaldson the leader of the Democratic Unionist Party (DUP) made the following comments: “I don’t accept that Brexit has fundamentally changed the constitutional arrangements in the United Kingdom.”, adding “what it has done is changed the way that we trade. What it has done is change the way we do business, but it hasn’t altered the constitution of the UK.” [1]

The DUP along with the European Research Group subsequently voted for the Protocol. He told the BBC’s Spotlight programme that customs checks did not change the constitutional status of a part of the UK. It is difficult to understand, therefore, why the DUP then took their case to court claiming that the Protocol contravened the 1801 Act of Union. The High Court in Belfast rejected the DUP’s claim as did the Court of Appeal and finally the Supreme Court which ruled that the Protocol was legal and did not contravene the Act of Union.

What is surprising is that the DUP voted for the Protocol in the first place with a border down the Irish Sea. It was there to satisfy the EU and avoid a hard border in Ireland. It seems the DUP fell asleep at the wheel, but then they woke up and started to demand the scrapping of the Protocol which was not going to happen. Part of their campaign of opposition was to collapse the Stormont Assembly although many people think that not wanting to serve under a Sinn Féin First Minister was another reason for their action.



PHOTO BY NUMBER 10

Prime Minister Rishi Sunak with EU Commission President Ursula von der Leyen at Windsor agreeing the future of Northern Ireland 27th February 2023

### The Windsor Framework

As regards the Windsor Framework you would have to be a super optimist to think that the DUP would accept it. They still stick to the “Never, Never, Never” philosophy espoused by the late Ian Paisley. The DUP have put forward their 7 tests which would need to be addressed in order for them to accept the Framework. The first one is again the Act of Union of 1801 which has already been ruled on by the Supreme Court in relation to the Protocol, but as far as the DUP is concerned the Framework is no different, so the 7 tests fall at the first hurdle. The other six are in a similar vein claiming that Northern Ireland is being treated differently to the rest of the UK which is anathema to the DUP and their rivals in the Traditional Unionist Voice. However, there are those in the pro-EU camp who support the framework pointing out that it gives

Northern Ireland business access to the UK market and the EU single market. The three main parties who support this line are Sinn Féin, the Social Democratic and Labour Party (SDLP), and the Alliance Party, who are unionist with a small ‘u’ and are the Ireland equivalent of the Liberal Democrats. They demand the full implementation of the Protocol including a role for the European Court of Justice (ECJ).

This is all part of their quest for a united Ireland within the EU, Alliance though is non-committal on Irish Unity. Whilst those of us who campaigned for a Lexit withdrawal from the EU, pointing out some of the anti-worker judgements of the ECJ, the pro-EU parties make no reference to those judgments leading one to believe that they are ignorant of their existence or just do not care. As regards the DUP their criticism of the role of the ECJ is that it operates in the North and not the

rest of the UK, that is another constitutional question.

When the Windsor Framework was announced Rishi Sunak stood alongside European Commission President Ursula Von der Leyen who made it clear that some EU laws will have to remain applicable in Northern Ireland and that the European Court of Justice will be the final arbiter in any dispute. This conflicted with number 4 of DUP 7 tests, that is “give the people of Northern Ireland a say in making the laws which govern them”, the so-called “democratic deficit”. Sunak may have had this in mind when he also announced that the Framework proposes a potential mechanism to overcome this - the “Stormont Brake”. Sunak claimed that the brake would allow the Stormont Assembly to block the introduction of any new EU law. However, the process is complex and could only be used “under the most exceptional circumstances and as a matter of the last resort.” The complexity may be designed to simply put people off bothering as according to Von der Leyen the ECJ will have the final say.

However, the Stormont Brake is unacceptable to the DUP as you have to be in Stormont to trigger it. Anybody who takes the trouble

**What is surprising is that the DUP voted for the Protocol in the first place with a border down the Irish Sea. It was there to satisfy the EU and avoid a hard border in Ireland.**

to read it will see that it is nothing short of a bureaucratic minefield typical of the kind of document the EU draws up. “The brake can be triggered by 30 MLAs from two political parties, which is the same threshold as a Petition of Concern (the special mechanism for requiring cross-community consent)” [2] The Petition of Concern was designed to prevent legislation that could be deemed detrimental to one community. Unfortunately, it was used and abused to prevent welfare reform, abortion law reform and marriage equality.

What has to be pointed out is that being part of a territory in which EU rules apply, the north, like the rest of Ireland, is subject to Article 119 of the EU Foundation Treaty which insists that economic policy must be based on the principle of an open market economy with free competition. In that sense the Stormont Brake offers no way to escape the stranglehold of Article 119 over economic investment which the north requires for the social needs for its people and in essence is a meaningless gesture.

The Framework itself endorses a central role for the EU in Irish affairs north and south. That may please the Europhiles but those of us who know the EU for what it is will see things differently.

### **The Good Friday Agreement**

It goes without saying that the continued absence of the DUP from the Assembly means it cannot sit and so the celebrations, if we call them that, on the 25th anniversary of the Good Friday Agreement (GFA) have been somewhat muted. We have witnessed the over the recent period various articles appearing in the local media which, while welcoming the signing of the GFA in 1998, are also expressing a degree of cynicism about what it has achieved and what it could have done. The Ulster Unionist Party and the SDLP,

whose leaders played an integral part in negotiations, have seen their parties now relegated to the periphery of northern politics being replaced by the DUP and Sinn Féin.

Whilst the rise of Sinn Féin both north and south is not surprising, the rise of the DUP who were on the political ropes in 1998 and were in splendid isolation is not so much surprising as worrying. They led the charge against the GFA and are now the biggest unionist party taking a majority of the unionist community with them. The optimism and euphoria of 25 years ago has waned somewhat. It was never going to be an easy road due to the history of the north but at the end of the day people were grateful that it did one thing, it ended the violence at that time. It also allowed people to work openly for their political aspirations like Irish unity.

The functioning of the GFA needs to be reviewed and particularly the situation where one of the two main parties can walk away from the assembly thus engineering its collapse. The Civic Forum, fought for by the NI Women’s Coalition, comprised of the trade unions, business and voluntary sectors needs to be re-established. The GFA is not perfect and operates in a society where institutionalised sectarianism still exists with segregated schools, and segregated housing estates. We also know the DUP did not want to share power with nationalists, they did not sign up to the GFA in the first place. However, despite its flaws, to abandon it altogether would be an insult to the over 3,600 who lost their lives and the thousands who were injured during the conflict.

[1] Irish News March 27th 2023

[2] <http://www.instituteforgovernment.org.uk>

# Yemen's fight for independence

by Simon Korner

A bit of background: Yemen is the only country on the Arabian Peninsula that is not a monarchy or a member of the monarchist Gulf Cooperation Council. It has a relatively high population density (concentrated in the north and west of the country), and the overwhelming majority of its population are native Yemenis rather than the semi-indentured Asian labour of the Gulf states. These facts represent an implicit challenge to the Gulf kingdoms. Yemen is also one of the poorest countries in the world, while sitting on massive oil and gas fields, as well as gold, silver, zinc, copper, cobalt and nickel, and commanding the vital Bab-el-Mandab straits across the Red Sea between Arabia and Africa, a shipping chokepoint through which 20,000 ships pass a year.

## Yemen now

Yemen has been at war for 8 years. Even at the height of the previous truce in mid-2022, the UN Refugee Council estimated that 23.4 million people out of a population of 30 million needed lifesaving humanitarian assistance. The war has so far killed an estimated 400,000 people (*BBC News*, 2/4/22). Of those killed, 260,000 were children under five.

The ceasefire between the Ansarallah government – a broad coalition of the Houthi movement, who are anti-Israeli and anti-US, and other patriotic forces – and the rival Yemeni government installed by the Saudis, expired in October 2022. However, in April 2023, a new truce

was signed directly between Ansarallah and the Saudis with the stated aim of establishing lasting peace. These Oman-brokered talks have been accompanied by large-scale prisoner exchanges. For Yemen's civilians there has been a let-up since April 2022 when the first truce began, with a small increase in fuel deliveries through Hodeidah, Yemen's main Red Sea port, through which 70% of the country's imports passed before the Saudi and US naval blockade reduced this to 10%. For the first time in several years, there has been a resumption of flights to Sanaa, the capital, which is under Ansarallah control. But the truce up to now has been only partial, with constant violations by the Saudi side.

Despite the growing atmosphere of peace between the Saudis and Ansarallah, the war is likely to continue in the south of the country. This is because, alongside the Saudi invasion, the United Arab Emirates (UAE) has been fighting its own proxy war to control southern Yemen and is not part of the peace talks.

## The war

Yemen has been at war since 2015. The Arab Spring of 2011 and its reverberations in Yemen brought down the government of long-time president Saleh in 2012. Saleh was replaced by his vice-president Hadi, who was, like Saleh, backed by Saudi Arabia. But in 2014, Hadi was toppled by the Houthi rebels, whose stronghold is the Yemen-Saudi border region in the north of the country. The Saudi war

launched in 2015 was aimed at reinstating Hadi.

Saudi and western propaganda claimed the mostly Shi'ite Houthis were a front for Iran and Hezbollah, and that the invasion was to protect the Yemeni people. Beyond crushing the Houthis, the Saudis wanted to counter Iran which has links to the Houthis, and seize control of Yemen's rich energy resources and strategic geographical position. The invasion was actively supported by the US and UK, along with France and Canada, all of whom have been providing weapons and intelligence ever since. The US has provided \$54.6 billion worth of military aid to Saudi Arabia and the UAE (GAO, 15/6/22). The war was supported by all the Gulf powers, except Oman, as well as Sudan, Egypt, Morocco, Pakistan and Jordan.

The Saudis invaded the northern half of Yemen closest to their own territory, leaving the south for their UAE ally to occupy, roughly in line with the north-south division that had existed from 1967 to 1990, when northern Yemen was attached to Saudi Arabia and the socialist south allied to the USSR. These states were merged in 1994 when the president of North Yemen, Saleh, launched a war to seize the recently socialist South Yemen, whose government had fallen after the defeat of socialism in Europe and the Soviet Union. Real Yemeni unity was never achieved, and the country remains sharply divided.

What began as Houthi regional resistance to pro-Saudi rule expanded when large sections of

Protest in Chicago against US involvement  
in the war in Yemen



PHOTO BY CHARLES EDWARD MILLER



Yemen's army joined the rebellion against the corrupt Hadi government. Hadi's deeply unpopular plan to divide Yemen into provinces. The plan would have entrenched geographical inequality by creating a single energy-rich province of around 1 million people, leaving the rest of Yemen impoverished. This brought more people under the Houthi banner. The war became a patriotic war against external interference, fought by a coalition of resistance known as Ansarallah, with the Shiite Houthis at its core but transcending Shia/Sunni differences and gaining further support in the oil-rich central and southern regions of Marib, Hadramawt and Shabwa, far beyond the northern Houthi heartlands.

### Saudi failure

The war became unwinnable for the Saudis for a number of reasons. First, its brutal air campaign Operation Decisive Storm was not enough to defeat Ansarallah on the ground. This meant Saudi Arabia and the UAE had to send in ground troops

which then got bogged down, as US troops did in Afghanistan. After 3 years of Saudi-coalition airstrikes, Ansarallah went on the counter-offensive in 2018. Its dramatic advances finally pushed the occupation forces out of the Red Sea port of Hodeidah in 2018. This victory freed Ansarallah forces to move eastwards to attack Marib, the HQ of Saudi military and intelligence in Yemen. So far, however, Ansarallah has been unable to take Marib.

A second reason for Saudi failure was the Ansarallah's successful strikes against Aramco oil-refining facilities within Saudi territory, using low-cost drones that also hit Riyadh, Saudi airports and other infrastructure. Ansarallah built the drones itself, which are similar to Iranian drones, and this capacity took the Saudis and Emiratis by surprise, especially the drones' ability to penetrate the Saudis' expensive American air defences. The Ansarallah attacks also showed the US's unwillingness to protect their Saudi allies, despite the major ongoing US arms sales.

As the balance tipped against a Saudi victory, the Saudis were forced to oust Hadi, who'd been ruling Yemen from Saudi Arabia, and set up a new, slightly broader-based government in early 2022, in the hope of breaking the military stalemate. The Political Leadership Council, which operates out of Aden in the south, brought in some of the Yemeni groups previously unrepresented under the Hadi government. These include Islah – the Muslim Brotherhood party backed by Qatar and more recently Saudi Arabia – as well as the powerful Southern Transitional Council, which is the UAE's proxy army. In a recent twist, however, the Saudis excluded the Political Leadership Council from the latest peace talks with Ansarallah, thus side-lining their own puppet regime.

A third reason for the Saudis' strategic failure in Yemen is that its one-time ally, the UAE, had ambitions of its own. The divisions between the two have weakened the invading coalition.



## UAE advances

Despite withdrawing its troops from Yemen in 2019 following Ansarallah's threats to the UAE's Dubai airport, the UAE maintains a strong presence in southern Yemen via the Southern Transitional Council, through which it plans to establish a separate south Yemen under Emirati control. The major port of Aden on the south coast has the biggest container terminal in Yemen. It also houses Yemen's biggest airport – after the Saudis severely damaged the airport in Sanaa in 2015. With Israel, the UAE has already established control over the strategically important Yemeni island of Socotra off the southern coast of Aden – an island on the sea route for ships in and out of the Suez Canal and the Bab al-Mandab strait. UAE ambitions to become a major regional maritime power are clear. It has military bases in Djibouti, Eritrea, and Somalia on the Red Sea. It has also built a new airport and military base on Perim Island, in the Bab al-Mandab strait's narrowest corridor just 16 miles wide.

Further strengthening the UAE's position, the Southern Transitional Council occupied the port of Balhaf, in summer 2022. Balhaf, on the south coast, is where French company Total has a major gas facility, guarded by French Foreign Legion troops who ensure that Total can siphon off Yemeni energy onto tankers waiting in the port.

Another UAE proxy militia, the crack Giants Brigades, has successfully prevented Ansarallah from taking over Marib. In doing so it defeated the Saudi-backed Islah party, which also had designs on the province and is now severely weakened.

Despite its growing military reach, the UAE is vulnerable to Ansarallah. Dubai and Abu Dhabi – important tourist and business centres – who cannot afford to face ongoing military attacks, such as the

missile attack in February 2022 on the day of Israel's president's momentous first visit. This has forced the UAE to accept Ansarallah as a part of Yemen's future. In 2019, the UAE's foreign minister said any Yemeni peace talks “must take account of the legitimate aspirations of all parts of Yemeni society. That includes the Houthis”. The UAE would settle for Ansarallah control of northern Yemen so long as the south remained under Emirati control, but it is unlikely that Ansarallah would accept such a division of the country.

## Regional impact

Saudi credibility as the leading Gulf power has been reduced – and its war crimes, though vastly under-reported, have nevertheless damaged its reputation. By contrast, the UAE has advanced as a major player, leveraging its new closeness to Israel under the Abraham Accords – the Trump-era plan to place Israel at the centre of the Gulf states – which in turn is allowing the US to pivot away from direct rule over the Middle East so it can focus on China.

Despite this, Israel has failed to bring the UAE fully into line against Ansarallah, because the UAE fears further Ansarallah attacks. Similarly, Israel has failed to break the increasingly lucrative commercial relationship between the UAE and Iran. The Abraham Accords, which aimed at Israeli co-option of the UAE as an adjunct of Israeli regional power, remain incomplete as a result of Ansarallah's resistance.

Saudi Arabia, for its part – having seen the US-backed forces' failure to destroy secular Arab nationalism in Syria, and having itself failed to defeat Ansarallah – has, like the UAE, begun a diplomatic dialogue with Iran after strong pressure from China.

It was Russia's game-changing intervention in preventing the destruction of Syria that altered the whole

Another UAE proxy militia, the crack Giants Brigades, has successfully prevented Ansarallah from taking over Marib. In doing so it defeated the Saudi-backed Islah party, which also had designs on the province and is now severely weakened.

balance of power in the region. Syria's survival has made possible a series of patchings-up of fractious Middle Eastern relations – between Egypt and Turkey, Egypt and Qatar, the UAE and Turkey and, most significantly, Saudi Arabia and Iran.

On a broader level, the challenge Russia has thrown down to US power in Ukraine, and the western need for energy, have given the Gulf states greater autonomy from US hegemony. These states have refused to impose sanctions on Russia, and OPEC refused to boost oil production when ordered to by the US. The Saudis have applied to join BRICS and are stepping up military cooperation with China and considering selling oil to it in yuan. Xi Jinping made a landmark trip to the kingdom in December 2022, and concluded major deals with the other Gulf countries, as well as ushering in the 2023 Iran-Saudi thaw. Only Qatar, which hosts the biggest US airbase in the Middle East, has bowed to the US's rules and is supplying extra energy to the US and Europe.

Not that Saudi anger with the US means its ties with Israel are weakening. Major commercial links, such as the new Israeli-Saudi transnational railway joining Israel to the Gulf, are underpinned by Bahrain's accession to the Abraham Accords. Because Bahrain is Saudi Arabia's client state, it joining the Accords effectively allows the Saudis to achieve normalisation with Israel without doing so officially.

## A decolonised Yemen

A decolonised Yemen would change the Middle East in several ways. First, it would weaken the Saudi ruling class, whose reckless Yemen war has cost it over \$500 billion and its military reputation. It would also give Yemen control of the Red Sea and Suez sea routes, allowing it to become an important trade link between Africa and the Gulf and a possible hindrance to

the free passage of ships to and from Israel. It would give Iran a secure ally in the Gulf, an ally self-sufficient in energy and weapons production. This would strengthen the alliances Iran has been building with Hezbollah, Syria and the Iraqi Popular Mobilisation Units.

Ending UAE military influence over southern Yemen and its direct presence on Socotra island – a tall order – could establish Yemen as a hub of east-west maritime trading and diminish the UAE's expansionist role commensurately.

A peaceful united Yemen could also boost China's Belt and Road project. Yemen's ten ports stretching round its southern coast on the Indian Ocean to the Red Sea on its western coast could facilitate fuel exports to China, as well as China's links with the Horn of Africa, according to political analyst Yaseen Tamimi (*TRT World*, 13/12/19). Aden, the biggest of these ports, could eventually join China's 'string of pearls' – ports linked by the Belt and Road Initiative across the Indian Ocean. Iran's accession to the Belt and Road Initiative in 2021 points to this future for Yemen. As China-based Yemeni commentator Hisham Al-Khawlani puts it: "In a post-war Yemen, the BRI could be a catalyst for increasing bilateral trade and economic cooperation, as it has been for other Gulf countries" (*Sanaacenter*, 25/1/21). This, however, requires peace and stability.

Ansarallah's land reform within its territory has already begun, with coffee being substituted in some places for khat, the addictive drug common in the region, and the re-establishment of Yemen's ancient coffee industry. Wheat is also being grown using modern agricultural techniques. In summer 2022, one liberated province, Al-Jawf, began expropriating land to cultivate it, with the aim of self-sufficiency in agriculture. Such moves show how Yemen could make progress towards releasing itself from colonial poverty.

## Imperialist threats

However, this vision of a peaceful Yemen is threatened by the US, Britain and Israel. Tim Lenderking, the US envoy to Yemen, deliberately sabotaged ceasefire negotiations last year by insisting that Ansarallah water down its "maximalist demands" (*US Dept of State, Telephonic Press Briefing*, 5/10/22). More recently, Lenderking flew to Riyadh to ensure the new atmosphere of peace did not undermine US threats against Iran (*Al Jazeera*, 12/4/23).

For Israel, peace in Yemen would challenge its occupation of Socotra island and boost Iranian power (*Jerusalem Post*, 9/4/23), threatening Israel's regional hegemony. Since the US gave it a more central role in the Gulf, Israel has only become bolder and more dangerous, using its leverage as a conduit to US arms to exploit the Gulf states' uneven development and divisions. Yemeni peace is the last thing it wants. If the US, Israel and UK have to concede peace, they will ensure the terms are least unfavourable to them.

Campaigning for British withdrawal from interference in Yemen should be our priority, as a step towards a peaceful, decolonised Yemen – including an end to all British weapons sales to Saudi Arabia and the UAE. A lasting peace would not only benefit the Yemeni people but would reduce the room for manoeuvre of the western warmongers.

# SOUTH AMERICA THE REALITIES OF POWER

by Dan Morgan in Chile

The last four years have indeed seen an upsurge in popular movements in South America, with notable achievements. The wave of protests in Chile led to the election of Gabriel Boric on a progressive programme, representing a left coalition.

## Colombia

The even more impressive movement in Colombia resulted in Gustavo Petro's election - he faces enormous challenges but speaks powerfully about confronting them. In both countries, police used the new tactic, to us, of shooting directly at the face of protesters - rubber-clad metal bullets, gunshot pellets and teargas cylinders. Petro has a solid majority in Congress, and a coalition including urban and rural leaders. Armed paramilitaries still threaten rural leaders, assassinations still occur, but Petro seems to be a determined leader. Colombia hosts several US military bases and has long had the strongest ties to the USA in South America, so any steps Petro takes to affect this alliance, and US economic interests, would be dangerous.

## Peru

Pedro Castillo was elected in Peru, for the first time a leader representing the people, with massive voting from the marginalised South of the country. He followed a series of corrupt Presidents (nearly all convicted of corruption) and tried to decentralise, visiting all regions to

meet local leaders, hear problems and give some solutions. Blocked at every turn by a corrupt Congress, he eventually tried to close it down and call new elections. The Congress then dismissed him, with the support of the US-trained Armed Forces leaders. At the time he had 30% approval, and the Congress just 10%! Massive protests followed - road and rail blocks, storming of airports, big demonstrations in Lima including the Trade Unions. The police and army have killed over 50 people, more than 30 of these deaths were proven to be caused by bullets. The de facto President Boluarte, a turncoat, hangs on but her position is fragile.

## Bolivia

A coup d'état took place in Bolivia in 2019. A false accusation of electoral fraud was made, and this was backed up by delegates from the Organisation of American States (based in Washington) and the US-trained army chiefs. A neo-fascist and racist government started to reverse the gains made over 13 years of progressive government. In the best example of fight-back, a massive movement by indigenous people blocked roads and threatened to starve La Paz if promised elections were not held. So after 13 months, the Movement to Socialism was re-elected. The large indigenous minority has dignity again, economic progress is solid, people's lives improve, building goes on apace, industrialisation of lithium, iron and other sectors continues. Bolivia is the most successful of the first 'pink wave' countries. Taking



As well as assassination on a mass scale in Chile and Argentina in the 1970s, the Inter-American Court of Human Rights has found that the Colombian State took part in an intense campaign of violence in the 1980s and 1990s, that ended the lives of thousands of members of the left-wing party Patriotic Union (Unión Patriótica)

national control of its main natural resources in 2006, oil and gas, was crucial. Before that, the nation received just 18% of the value of these resources, in taxes. Afterwards, up to 82%. Now the huge lithium deposits promise to be a motor of development including processing and battery production, done jointly with a Chinese company.

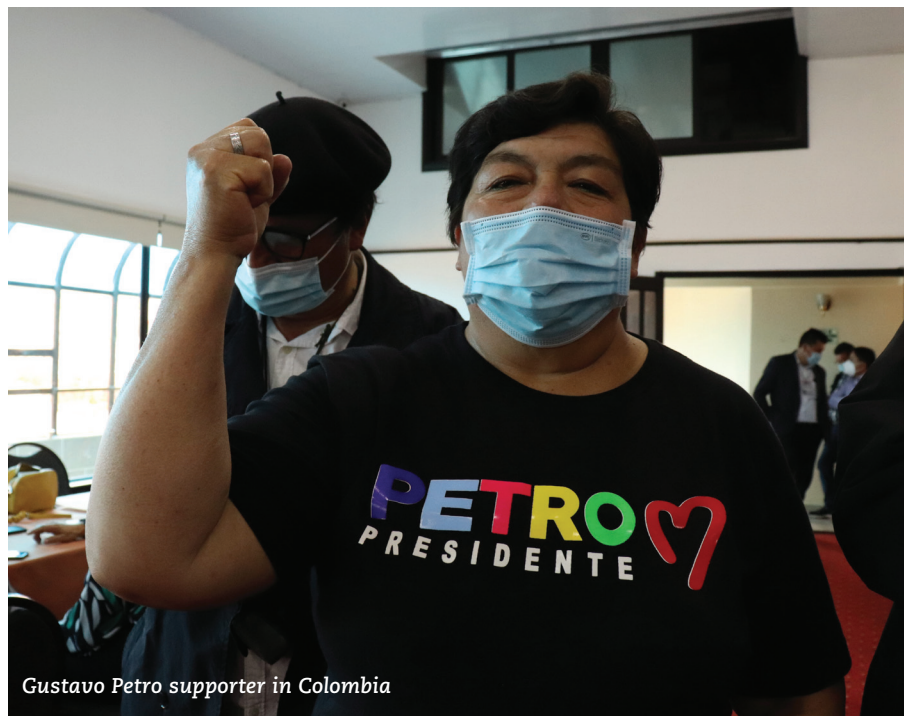
## Brazil

Lula defeating Bolsonaro in Brazil was a great relief but his ability to make real changes is very limited. He is in coalition with fairly right-wing social democrats. If significant social improvements are not made, the way will be open again to Bolsonaro or other fascists. Bolsonaro was clever enough to retain the Bolsa Familia program Lula started to end hunger, even increase the payments during the Covid pandemic. Lula's successor Dilma Rousseff was impeached by Congress on spurious grounds. Then Lula was prevented from standing in 2018 and the racist, pro-fascist Bolsonaro was elected. Racism is very strong in Brazil. It was the last major country to end slavery, in 1888.

Now by decree, Lula has ended the move to privatise 7 strategic companies. On April 12th to 15th he visited China, after a business delegation, and signed 20 economic agreements. As in Bolivia and other countries, renewed economic cooperation with China will give the best prospects of growth and a better life for Brazilians.

## Chile

The situation in Chile is not good. The heavy defeat in September of the draft of a progressive new Constitution (62% to 38%) led to triumphalism on the right, and demoralisation on the left. There is a turn to the right. President Boric is a declared social democrat and an ally of the US in foreign policy, generally. He now governs more with the parties in the old 'centre-left'



*Gustavo Petro supporter in Colombia*

PHOTO BY JULIANHUMANANO

Concertación than with the more left-wing parties he was elected alongside. Without a majority in Congress, progress on urgently needed reforms is very slow. Again, unless people can see an improvement in their lives, the neo-fascist Kast could be elected next time.

## The realities of state power

So this is Pink Tide 2.0. What happened to the first? Broadly, it was defeated by a combination of economic down-turns leading to discontent, and the use of legal manoeuvres to remove progressive leaders. Thus Lula's successor Dilma Rousseff was impeached on spurious grounds in 2016.

As well as assassination on a mass scale in Chile and Argentina in the 1970s, the Inter-American Court of Human Rights has found that the Colombian State took part in an intense campaign of violence in the 1980s and 1990s, that ended the lives of thousands of members of the left-wing party Patriotic Union (Unión Patriótica). Imperialism tries to avoid using direct military coups now, they are bad publicity, but lately we have seen 'silent'

coups, where US-trained army chiefs support reactionary take-overs, such as in Bolivia and Peru.

The central problem of state power has been largely ignored. As mentioned in the cases of Bolivia and Peru but also relevant in Honduras, Brazil and elsewhere, the armed forces are usually led by officers trained at the USA's School of the Americas – now renamed The Western Hemisphere Institute for Security Cooperation but with the same purpose. They always side with reactionaries at times of political crisis.

Significantly, the only country to remain continuously from the first tide is Venezuela where Hugo Chavez came from a progressive section of the military. Democratic restructuring of the armed forces is a vital need but a very hot potato. In Chile they always loom as 'guardians of stability'. Before 1973 there were many democratically minded officers but since then cadets are carefully screened politically.

The judiciary also needs to be changed in most countries, to prevent it being used to thwart the

popular will, as happened notably in Brazil, Argentina and Ecuador. Again, a nettle that must be grasped in order to achieve democratic control of these state institutions.

Above all, possibly, is the need for a democratic press, radio and TV. At the moment these media are dominated by capitalist owners, often transnational (CNN, Verizon, Reuters etc). They support the economic interests of North American and European imperialist companies, create support for neoliberal policies and stifle real political discussion on the way forward.

Popular control of natural resources and other major industries is essential to dramatically improve people's lives, as is happening in Bolivia. Movements that promise this must be developed and strong enough to overcome the opposition from the capitalist mass media, judiciary and armed forces. Such movements will face sanctions from the USA designed to crush them, but now China is the largest trading partner for most of South America, the Dollar is no longer

almighty, and this gives a great advantage for social progress. We need media owned by cooperatives, trade unions and progressive governments themselves, to end the present cultural hegemony in favour of the status quo. Howls of anger go up when anything like this is mentioned. It's another hot potato, but an issue that must be dealt with if we are to prevent another reactionary tide washing away the present victories.

These problems of how to advance from a progressive government to real democratic control of the country – its bureaucracy, military and judiciary - are huge. For real economic independence and progress, for real democracy, the issue of state power has to be confronted. The most likely scenario for moving to democratic control is when there is a political crisis, and the popular movement grows strong enough to impose its will. This was the case in Venezuela and Bolivia, others will follow.

## From **The Socialist Correspondent** 10 years ago

“Underlying the escalating campaign against Korea are American and Japanese fears of displacement by China....

Given Japanese rearmament, the US ‘pivot’ can be seen therefore as not only a means of containing China, but as part of a wider ‘rebalancing’ to ensure its hegemony remains unchallenged in future by Japan, as well as Russia.

The encirclement of China is thus not an end in itself but a key element in maintaining America as the world's supreme power.”

Issue 18 Summer 2013

East Asia analysis: Korea and beyond

*Simon Kerner*

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# CHILE AFTER THE REFERENDUM

## Challenges for the left

by Dan Morgan in Chile

In the first attempt to write a new constitution for Chile, the left and progressives were soundly beaten. With compulsory voting for the first time ever in reality, the draft constitution got just 38% of the votes. Now we are entering a second, emasculated process. The first thing to say about the defeat of September 2022 is that it was not forecast by anyone on the left. This shows that the left is out of touch with large sections of the people. The opinion polls got it right but they have been skewed to the right in the past, so we generally discounted them. The result was not an absolute disaster but has been felt as such by almost everyone.

### Referendum defeat

Why was it not approved? The draft was very good, very progressive but it gave many people many reasons to reject it. These were ably used by a colossal propaganda campaign to get the 62% vote to reject. What were the main reasons?

Firstly the extensive use of the word “Plurinational”.

Some history: In the past, the Chilean state waged two successful wars against a confederation of Bolivia and Peru. In the second, that ended in 1884, Chile conquered its three northern provinces and the immense wealth of nitrates first, then copper and now also lithium. At the same time, the genocidal conquest of the indigenous region in the south was finally achieved.

The Mapuche people who had resisted the Spanish and then Chileans for 450 years, were reduced to ‘reducciones’ (reservations) on 10% of their land – and even some of that was later taken. The chauvinistic nationalism that is embedded in Chilean education follows from this. So nationalist feeling against ‘dividing the country’ and including other flags was strong.

The ‘Mapuche question’ is complicated. They receive some economic aid, and some land has been returned. Several radical groups use violent methods to try and force reparations, with limited support and more limited success. Enormous tracts of land in the area have been acquired by huge forestry companies and reparations are due; it’s a political problem. However, daily sabotage attacks on machinery, lorries and forestry workers themselves do not help win support. My Mapuche neighbours want a quiet life by and large, receive some benefits and do not want anti-Mapuche feelings stirred up. The vote to reject the draft was higher in areas with large Mapuche minorities than

elsewhere (the radicals in the community do not vote of course).

Another important issue was the draft’s inclusion of the right to abortion – leaving details for later legislation. This opened the way for the ‘reject’ campaign to say it gave the unqualified right to abortion up to the time of birth. Obviously ridiculous, but it had some effect.

Animal rights were also included in the draft. Given the campaign against rodeos and other rural activities such as horse and greyhound racing, some rural voters strongly reacted against this.

The draft included the right to a home. This simple statement was distorted in radio spots especially, such that many people were convinced that their own house would be taken from them!

### The campaign

What about the campaign? Little campaigning was done on the streets. The ‘Reject’ campaign spent massively, especially on radio spots. The main public campaign was television spots of 15 minutes every evening, divided evenly between the Approve and Reject campaigns. Reject cleverly said “A new constitution? Yes – but not this one”. It also used the main issues many people did not like.

The Approve campaign majored on the liberal ideas appealing to the mainly middle-class professionals who wrote the draft. It was very

**The Approve campaign majored on the liberal ideas appealing to the mainly middle-class professionals who wrote the draft. It was very progressive but included little to promise a higher standard of living, except for promising many social rights.**



Gabriel Boric President of Chile

progressive but included little to promise a higher standard of living, except for promising many social rights. Economic issues such as ensuring real nationalisation of the big copper mines were not included (the present, Pinochet constitution retains national ownership of natural resources, but allows for them to be 'leased'). So now, although the state company Codelco still exists - after 1971 it owned all the big mines - private, mostly transnational companies, now produce 67% of the copper.

So the draft was long on liberal issues and short on bread and butter issues. Conservative social prejudices are strong. In retrospect, the draft was politically naive, by spelling out loads of demands which are not universally popular, and not stressing those that are.

General discontent also played a role in the defeat. The government did not campaign for the draft, but was obviously associated with it. With a stagnant economy and inflation running at 13%, people were not happy - especially the majority, on low incomes - as food inflation was up to 22%.

### Triumphalist Right - Weakened Left

The political reaction has been awful. The left was demoralised for a time and still is to some extent. President Boric, always on the right wing of the Broad Front, has turned to the right and is always taking about the need for consensus, broad agreements. This is disastrous as the right wing, with a narrow majority in Congress, is triumphalist and in no mood to compromise. They push ever harder to move the agenda to the right. They voted against even discussion of the tax reform, which is key to any hope of higher social spending. A pensions reform proposal has been carefully drafted to give the right few arguments against it but even so seems doomed.

The biggest social worry at the moment is the tremendous increase in very violent crime, something new to Chile. When Venezuela was at a very difficult moment, our ex-President Piñera went to the Colombian border there with Ivan Duque and invited all Venezuelans to Chile. Thousands arrived, not all of them decent workers. Gangs

of organised criminals came, with ruthless methods - along with some Colombian hit-men, unemployed after the peace agreement there.

The big increase in murders and other violent crime was also a factor in the rejection of the constitution, part of the general discontent. In April, three policemen were killed and the right wing, helped by saturation news coverage, has rushed through congress a law giving police "privileged legitimate defence", a virtual licence to kill. The first victim was a 19 year old lad who drove past a police check, knocking over a cop. He was gunned down with an UZI submachine gun. Many judges already gave cops free rein; in my town, an unarmed young man was shot dead by a cop during the Covid curfew and the cop has just been declared not guilty. The situation will be much worse now - forgotten are the dozens left blind or partially blind, or killed during the social protests of three years ago.

To their credit, the communist and broad front deputies voted against this law. These are the parties of the original coalition of President Boric but he did not veto the law, negotiating instead a weaselly compromise.

I fear the worst if this sort of weakness continues. The neo-fascist José Antonio Kast stands to gain from popular discontent if the situation of the people does not improve. Meanwhile, we vote on 7th May for 50 members of a council to decide on a carefully delimited new constitution. Enthusiasm is very low but it is crucial that the left win at least a third of these seats, to stop the right wing making this one even worse than the present one, rigged in 1980 by the dictator Pinochet. This has been amended over the years but still gives the Constitutional Court the excuse to veto progressive changes on the grounds that they infringe "the right to property".



Aspen tree, your leaves glance white into the dark.  
My mother's hair was never white.

Dandelion, so green is the Ukraine.  
My yellow-haired mother did not come home.

Rain cloud, above the well do you hover?  
My quiet mother weeps for everyone.

Round star, you wind the golden loop.  
My mother's heart was ripped by lead.

Oaken door, who lifted you off your hinges?  
My gentle mother cannot return.

### **Paul Celan**

Translated by Michael Hamburger

Paul Celan was born Paul Antschel on November 23 1920 to German-speaking Jewish parents in Czernowitz, part of Romania at the time, now in Ukraine. In 1942, his parents were deported by the Nazis to the Michailovka labour camp in Ukraine where his father died of typhus and his mother was shot. Celan survived the camps in Moldova and moved to Paris in 1948 after the publication of his first book of poetry. Fluent in many languages, he chose to write in his mother-tongue, German.

This poem reflects his family experience in the second world war.