

# THE SOCIALIST CORRESPONDENT

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## ISRAEL ATTACKS THE UNITED NATIONS AND SEEKS TO DESTROY INTERNATIONAL LAW

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

Proposals for articles and letters to the editor should be sent to [tscsubs@btinternet.com](mailto:tscsubs@btinternet.com)

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The rift between the global south and the west has become deeper in the last few years. Countries of the south increasingly reject subservience to imperialist interests and are building their own political alliances and economic collaboration. From West African regimes asserting their independence from France and the US, to the growth and development of BRICS+ and the use of alternative means of payment to the US dollar the last few years have seen marked, if not yet decisive, change in the direction of a multipolar world.

## Palestine

The Israeli's genocidal war in Gaza has crystalised these divisions, with the majority of the world standing with the Palestinians. This in itself is a major setback for imperialism. Israel has tried to divert attention from its actions and drive in a wedge to the opposition by provoking Iran and risking a wider conflict, but that will not make the Palestinians and their suffering go away. Their stoic resistance remains as will our solidarity.

One front in this fight is Israel's defiance of international law and the role played by the United Nations in censuring it and supporting the Palestinians. Writing about this in, *The US and Israel attack the United Nations and International Law*, Brian Durrans says that, "Palestinians are now the front line of defence for international law and the United Nations as its institutional expression."

The west does not talk about international law, but rather the rules based order – by which it means its rules and its order. Whilst the United Nations has not always been progressive – the security council has an inbuilt western bias – yet it has always been an arena of struggle for anti-imperialist forces. South Africa's bold move taking

Israel to the International Court of Justice has proved a rallying call for supporters of Palestine and upholding the international law which Israel flaunts.

Seeing the danger of the UN becoming a real force to counter western aggression Israel and the US have launched attacks on UN institutions, especially those which offer practical support to the Palestinians, like UNRAW. The global south, South Africa and the Palestinians are taking the lead in defending international legal norms from the west.

## War

Yet despite the erosion of its influence the west continues on the road of confrontation and war. This includes preparing for a future war with China. Politically and economically the war in Ukraine is becoming less sustainable, with no sign that pouring more arms in is bringing Ukraine any closer to winning and every sign that it is losing. However, the mantra of western politicians remains that "Ukraine must win". This has led to talk of dangerous escalation, like sending more advanced weaponry and NATO committing boots on the ground (more than the small number it already has). In *Ukraine war gets even more dangerous* Simon Korner spells out how desperation in Kiev and among Ukraine's western backers is making the situation more volatile. Competing interests with the US and within Europe are complicating matters further and making a negotiated end to the war seem distant.

Of course there is money to be made from war and Ukraine and Gaza are no exceptions. The arms industry has certainly benefited from both these current conflicts. Increasingly, however, electronic systems are vital to fighting wars and in *Gaza, Zelensky and the NHS: what they have in common*, Alex Davidson examines one company with

contracts in Israel, Ukraine and here in the NHS – that is Palantir. It has been described as "...the AI arms dealer of the 21st century" and works closely with the US government. So what is it doing in our NHS? Apparently "integrating health data". Access to data is a prime objective of tech companies and Palantir's role in the Health Service has met widespread opposition.

## State repression

As we have seen a wave of strikes and massive demonstrations over Gaza, so the Tory government has been passing multiple pieces of legislation designed to restrict free speech, the right to protest and the right to strike. The rise of this repressive agenda is set out by Gary Lefley in, *Capitalism's crisis and the threat to democracy*. But Kate Flannery reminds us that this is not a new tactic by the British state. In *Anniversary of the miners' strike - 40 years of injustice - demand for Orgreave inquiry will not be silenced* she describes the systematic attack on picketing miners at Orgreave with many injured and imprisoned. There were meticulous plans formulated by the government and the police to crush the miners. She says, "Orgreave became the blueprint for the policing of dissent and sent a harsh message to working class people that strike action would be met by the full force of the state. 40 years later those falsely arrested and injured are still waiting to see justice."

## Alternative

We face a grim outlook of war, impoverishment and repression, but there is hope in the current resistance and protest. Also as Noah Tucker points out in *The Soviet model and the economic Cold War - a refutation of the case against socialism*, capitalism doesn't work and he provides ample evidence that socialism does.





PHOTO BY INTERNATIONAL SOLIDARITY MOVEMENT

# US and Israel attack the UN and International Law

by Brian Durrans

Founded in October 1945 in San Francisco, the United Nations Organisation (UNO or UN) replaced the League of Nations that was originally set up in January 1920 in Geneva. Dominated by Western Europe, the League of Nations was supposed to keep the peace but couldn't prevent the Second World War.

The UN had a similar mandate but a new composition. The United States and its capitalist allies were still there, competing among themselves for resources, markets and strategic advantage (as they still do), but were now joined by the Soviet Union and would soon be joined by a growing bloc of socialist states and the first former colonial territories attaining political independence. Over the coming years, as one pro-Western historian recently put it, "[...] non-interventionism and anti-imperialism became more powerful forces, not least because swathes of newly independent countries were joining the United Nations [...]. This made it more difficult for Britain to keep

up its long tradition of interfering in the affairs of others." [1]

## Imbalance power

The structure and key posts in this new forum, however, reflected the continuing power and influence of the West, especially in the prescribed membership of the Security Council. Imperialist powers were able to co-opt the UN for their own purposes, most obviously through "peacekeeping" forces in UN uniform, such as in Korea (1950-53) and the Congo (1960-64); and increasingly so following the defeat of the socialist bloc in 1990-91, such as deployments in Bosnia (1992-96), Haiti (1993-96), Iraq (2003-), Haiti again (2004-17), Libya (2011-), Syria (2012-) and Afghanistan (2022-). [2]

The UN thus reflects the (im)balance of forces in the world, but it's important to remember that socialist and non-aligned countries could prevail on issues of racism and colonialism, for example, when the imperialists themselves were divided, most obviously on apartheid South Africa and Israel.

Although socialism is weaker today than at any other time in the UN's history, the future predominance of US imperialism is no longer assured, given the growing assertiveness of the global South, Russia's resistance to NATO and the continuing rise of China. As with Israel, so also on nuclear weapons and global warming, UN policies are progressive but implementing them is impeded by what the West currently sees as its own interests. Those interests could change, however, if the West is able to adapt pragmatically to a changing world. In the meantime, the UN's capacity to act on these vital issues will depend on how successfully it can defend its operations and principles against attacks, now coming thick and fast, from the US and its closest allies. Targeting an institution which it originally sponsored and long found convenient is a sign of weakness, suggesting the world's most powerful state is losing its sense of direction.

## UN support for Palestine

The problem of Israeli colonisation of Palestine has preoccupied the UN



from its earliest days, but on no other issue is the contrast between the mountain of policy statements and their practical implementation more glaringly obvious. Besides updating and reconfirming its long-standing policies, there are two main ways in which the UN supports Palestine.

The first, mainly political, way in which the UN supports Palestine is through the UN's Office for the Coordination of Humanitarian Affairs (OCHA) and its Office of the High Commissioner for Human Rights (OHCHR), the latter appointing the Special Rapporteur on the situation of human rights in the Palestinian Territory occupied since 1967. The Special Rapporteur has long been an outspoken critic of Israel's oppression of Palestine. The current Rapporteur, Francesca Albanese, appointed in 2022, and an expert on Palestinian refugees in relation to international law, is no exception. On 27 March 2024, three months after the UN's International Court of Justice (ICJ) found "plausible evidence" of Israeli genocide against Gaza, she spoke and answered questions at a press conference in Geneva, following her recent field-based report to the OHCHR confirming the genocidal character of what Israel was doing. [3]

All rapporteurs have faced heavy criticism from Israeli and pro-Israeli politicians, but Richard Falk (2008-14) was not only detained and barred from entering Israel at the start of his appointment but three years after the end of it, in 2017, UN Secretary General Guterres responded to pro-Israeli pressure by removing the first comprehensively documented report on Israeli apartheid which Falk wrote with Virginia Tilley, from the website of the UN's Economic and Social Commission for Western Asia (UNESCWA), where it was originally published. UNESCWA's Executive Secretary resigned in protest.

This episode is a reminder of both the intensity and ultimate futil-

ity of pro-Israeli attacks on the UN. Despite US UN ambassador Nikki Haley's dismissal of the Falk-Tilley report as "anti-Israel", and Guterres's compliant gesture, it went on to inspire further, well publicised reports from Israel and elsewhere which confirmed its findings and disseminated them even wider. It is now more difficult than ever to deny that Israel is an apartheid state. [4]

## UNRWA

The second way the UN supports Palestine is more direct or "hands on". The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), established in 1949, provides healthcare and primary and vocational education (and some degree of "disaster relief") for Palestinian refugees from the Nakba (the violent expulsion of more than 750,000 people from their homes), which paved the way for the Israeli state in 1948. This provision also covers the descendants of those refugees and new ones from the occupation of Gaza and the West Bank in 1967 and ongoing displacement caused by Israel's apartheid practices. UNRWA is currently active in the Occupied Territories (West Bank, Gaza, East Jerusalem) and in the refugee camps in Lebanon, Jordan and Syria, and serves some 5.9 million people, 2.3 million of whom are in Gaza. [5]

UNRWA is largely funded by Western nations, including foremost past and present allies of Israel, which was responsible for the Nakba in the first place and hence for the predicament which UNRWA strives to make more tolerable for the Palestinians themselves. In that Israel produces the problem for someone else to deal with, this arrangement parallels having the Palestinian Authority (PA), mainly funded by the US and EU, administer the West Bank on its behalf. This arrangement allows Israel's allies to pose as friends of Palestine

– including, through UNRWA, when conditions are/were relatively stable, giving some the chance of a better life, while continuing to arm and support their oppressors. Involvement on the ground makes UNRWA's work and staff, whether drawn from the local population or overseas, especially vulnerable to Israeli disruption, obstruction and physical, including fatal, attacks. The genocidal onslaught on Gaza highlights not only this dimension of local conditions but also why Israel, which has long criticised UNRWA's involvement, now chooses to attack it more seriously.

## Genocide in Gaza

The attack on Israel by armed Gazans on 7 October 2023 no more "caused" the genocidal response than the attack on the US on 11 September 2001 "caused" the subsequent "War on Terror". Whilst neither event was fabricated, both provided an excuse to fast-track policy options already in place. As Sara Roy (Center for Middle Eastern Studies, Harvard University) suggests, Israel's approach to Palestinians has long been implicitly genocidal, "As part of their overall embargo plan against Gaza," US officials wrote from Tel Aviv in November 2008, "Israeli officials have confirmed ... on multiple occasions that they intend to keep the Gazan economy on the brink of collapse without quite pushing it over the edge." More specifically, they aimed to keep it "functioning at the lowest level possible consistent with avoiding a humanitarian crisis." The goal, that is, was not to elevate people above a specific humanitarian standard but to ensure they stayed at or even below that standard. [6]

As for Israel's genocidal intent, the ICJ found in January, and Special Rapporteur Francesca Albanese confirmed in March, that the "plausible evidence" for it is now explicit.

There are at least three signs that the genocidal assault on Gaza rep-

resents a new moment of truth for imperialism in both Palestine and the United Nations. First, the presentation by Israel and its allies and their complicit media – to the exclusion of any other view – of questionable evidence of the character and scale of the armed attack on 7 October against Israeli civilians, while sidelining or ignoring the military aspect and its historical significance. Second, and closely linked to this, the immediate censoring of the preceding decades-long struggle between occupier and occupied, including “mowing the grass”, the dehumanising euphemism Israelis often use for the periodic, mainly airborne, shockingly destructive and disproportionately deadly reprisals for Gaza’s relatively minor acts of resistance. [7] The third sign is the open attack on UNRWA.

A quick but necessary aside: the argument I am putting forward here assumes a close alignment between Israel’s strategic role in the Middle East and the interests of US imperialism. To mix domestic pet metaphors, Israel is usually a cat’s paw but the tail sometimes wags the dog. At the moment it’s a bit of both and its future unclear.

## Israel attacks UNRWA and the UN

In early January 2024, Israel privately alleged to UNRWA that twelve of its staff in Gaza were involved in the 7 October 2023 attacks on Israel, and on 26 January UNRWA said it was investigating the allegations. There is some confusion about what happened next. UN Secretary-General Guterres urged donors not to withdraw funding. UNRWA commissioner-general Lazarini (resisting pressure to resign) announced that accused staff were fired first before being investigated and complained ten days later that Israel had not yet provided any evidence to back its claim. A US intelligence report expressed “low confidence” in Israel’s claim and UNRWA reported that Israel had



UNRWA office in Lebanon

used torture to extract false confessions from some of its employees. In late January the US, Italy, Canada and Australia and then in February the EU declared they were halting UNRWA funding.

Given that only twelve people out of 13,000 UNRWA staff in Gaza were being accused, and that Gazans were facing starvation and disease on top of the destruction of homes, schools and hospitals – together with growing awareness across the world of the ICJ deliberations on Israeli genocide and of the horrific scenes daily presented on TV and social media, there was strong push-back against defunding. This came from the World Health Organization, Amnesty International and other bodies. US-based writer Jamal Kanj, who owes his own career to the education he received from UNRWA, points out that Israel was responsible for the recent deaths of 152 of its staff in Gaza for which it has not yet been held to account, and the number has probably risen since. [8]

Without waiting for UNRWA to complete its investigations, and far from halting their own contributions, Spain, Portugal and Ireland increased them, and by 1 March the EU restored and increased its own funding. Australia, Canada, Japan and Finland also reversed their earlier decisions and announced their

funding would be restored. The UK is waiting for more information about the claims against UNRWA before deciding its position. The US is the biggest donor to UNRWA and its announcement that it is withholding payment until March 2025 suggests its siding with Israel on this issue has isolated it from most of its closer allies. The State Department tried to soften this impression by claiming that since most of the allocation for the year has already been sent to UNRWA, the shortfall will be minimal. [9]

With the US trying to limit its reputational damage from this propaganda debacle, the biggest loser in any other circumstances would be Israel itself. The loser was not Israel, however, but (as so often) the Palestinians. This is where the World Central Kitchen incident comes in.

## Cutting off aid to Gaza

Seven staff of the charity World Central Kitchen (WCK) were killed by targeted Israeli airstrikes while travelling in convoy in central Gaza on 1 April 2024. To ensure its safety (sic), the convoy notified the Israel Defense Forces of its exact route and location. Some of the victims, who included individuals from the UK, Australia, Poland, and one with dual US and Canadian citizenship, had links to Western special forces.

PHOTO BY ROMANDEKERT

WCK had earlier been deployed in Haiti and Ukraine, and its founder is a close associate of President Biden. Some reports suggest it was planning to create a pier for shipping in food aid [10] or shipping out refugees or was even a candidate for replacing UNRWA itself. Although Israeli prime minister Netanyahu called it “unintended” and “tragic”, the incident was plainly deliberate and possibly a rebuke to Biden for unwelcome advice on military tactics. So there may well be more to the story than an ordinary aid charity having a bit of bad luck.

What really matters here is that the attack led immediately to at least three other aid organisations, as well as WCK itself, suspending their operations in Gaza. To that extent, the airstrikes on the WCK convoy were of a piece with the accusations against UNRWA staff. Israel wanted to minimise any mitigation of the humanitarian catastrophe it was preparing for Gaza, and – under unprecedented scrutiny from the UN – to minimise its accountability for breaches of international law, not least in the form of genocide or other war crimes.

## Rules based order versus international law

When Western politicians refer to a (or the) “rules based order” they mean they find existing international law inconvenient. The US and its allies have a problem with the UN as a bastion of international law. Various nations are or have been in breach of one or more such laws, but Israel is the top offender, and – although the outcome is still uncertain – the UN is at last taking serious steps to hold it to account, along with complicit states and possibly corporations. As that process accelerates, US imperialism finds itself increasingly at odds with the world, not merely because of its complicity with Israel (which is bad enough) but because of the liberties it has taken or will yet take on its own behalf (which are potentially worse).

Trita Parsi, co-founder and Executive Vice President of the Quincy Institute for Responsible Statecraft in Washington DC, highlights, “[a]n important aspect of Israel’s conduct - and Biden’s acquiescence to it - that has gone largely unreported is that Israel is engaged in a *deliberate and systematic effort to destroy existing laws and norms around warfare*” (emphasis added). He cites as examples the bombing of Iran’s diplomatic compound in Damascus; the war crime of bombing hospitals including all of those in Gaza and assassinating patients inside them; preventing delivery and access to humanitarian aid in defiance of the ICJ; starvation of civilians as a method of warfare; and indiscriminate bombing of civilians.

Parsi argues that Israel is not simply trying to beat an adversary but to destroy international law itself by making it inoperable. [11] This is key to explaining why Israel and its apologists insist the armed attacks from Gaza of 7 October are a completely new phenomenon rather than part of continuing resistance to colonial occupation. Because in legal terms a war only happens between states, calling those attacks an act of war allows Israel to excuse its own response, which others recognise as genocide, as self-defence under international law. This cynical manoeuvre is plainly an attack on international law itself.

This idea of making existing (and inconvenient) law inoperable connects with what the PA’s ambassador to London, Husam Zomlot, and others have taken to be Israel’s goal in Gaza: paraphrasing Sara Roy, finally to expel Palestinians *without international censure or sanction*, (6) (emphasis added). That goal can only be achieved if Israel is shielded by its complicit and increasingly isolated allies, even if reduced to the US alone.

A “rules based order” that would permit the mass slaughter or expulsion of a population by sidelining

international law deserves only contempt. Palestinians are now the front line of defence for international law and the United Nations as its institutional expression. If the UN fails them now, restraining imperialism in the tumultuous years ahead will be a hundred times harder.

[1] Rory Cormac, *Disrupt and Deny: Spies, Special Forces, and the Secret Pursuit of British Foreign Policy*. Oxford, 2018, p3.

This proved easier for the better-resourced US which couldn’t yet match the colonial and later neocolonial legacies of its European allies

[2] For a full list of UN “peacekeeping missions”: <https://peacekeeping.un.org/en/list-of-past-peacekeeping-operations>

[3] <https://www.youtube.com/watch?v=b8512p-80wl>

[4] [https://en.wikipedia.org/wiki/Richard\\_A.\\_Falk](https://en.wikipedia.org/wiki/Richard_A._Falk). The report is accessible and downloadable here: [https://opensiuc.lib.siu.edu/ps\\_pubs/9/](https://opensiuc.lib.siu.edu/ps_pubs/9/). The reports it inspired are from *B’Tselem*, *Human Rights Watch* (both 2021) and *Amnesty International* (2022)

[5] <https://www.unrwa.org/who-we-are?tid=85>; <https://www.unrwa.org/what-we-do>

[6] [https://www.nybooks.com/online/2023/12/19/the-long-war-on-gaza/?lp\\_txn\\_id=1544322](https://www.nybooks.com/online/2023/12/19/the-long-war-on-gaza/?lp_txn_id=1544322)

[7] Jamie Stern-Weiner, ed., *Deluge: Gaza and Israel from Crisis to Cataclysm*. New York/London, 2024

[8] <https://www.counterpunch.org/2024/02/14/defunding-unrwa-the-last-phase-of-israeli-genocide/> The Struggle against Apartheid: Lessons for Today’s World | United Nations

[9] “Israeli allegations against UNRWA”, Wikipedia (accessed 19 April 2024); “Frozen U.S. Spending for U.N. in Gaza Is Minimal, State Dept. Says”, *New York Times*, 30 January 2024

[10] Tamara Nassar, “What’s the real purpose of Biden’s Gaza port?”, *Electronic Intifada*, 14 March 2024

[11] <https://twitter.com/tparsi/status/1774872023098888465>



### The Olive Tree

Because I do not knit wool  
because I am always hunted  
and my house is constantly raided  
because I cannot own a piece of paper  
I shall carve my memoir  
on the olive tree in the yard  
I shall carve bitter reflections  
scenes of love and yearnings  
for my stolen orange grove  
and the lost graves of my dead

I shall carve all my strivings  
for the sake of remembrance  
for the time when I'll drown them  
in the avalanche of triumph  
I shall carve the serial number  
of every stolen piece of land  
the place of my village on the map  
and the blown-up houses  
and the uprooted trees  
and every bloom that was crushed  
and all the names of the experts in torture  
the names of the prisons

I will carve dedications  
to memories threading down to eternity  
to the blooded soil of Deir Yasin  
and Kufur Qassem  
I shall carve the sun's beckoning  
and the moon's whisperings  
and what a skylark recalls  
at a love-deserted well

For the sake of remembrance  
I shall continue to carve  
all the chapters of my tragedy  
and all the stages of Al- Nakbah  
on the olive tree in the yard!

### I call on you

I call on you  
I clasp your hands

I kiss the ground under your feet  
and I say: I offer my life for yours  
I give you the light of my eyes  
as a present  
and the warmth of my heart

The tragedy I live  
is but my share of our tragedies

I call on you  
I clasp your hands

I was not humiliated in my homeland  
nor was I diminished  
I stood up to my oppressors  
orphaned, naked and barefoot

I carried my blood in my palm  
I did not lower my flag  
I guarded the green grass  
over my ancestors' graves

I call on you  
I clasp your hands



Tawfiq Zayyad (1929-1994) was a Palestinian leader and member of the Israeli Communist Party. He was elected to the Knesset in 1973, representing Rakah and later Hadash until his death in 1994. He was elected mayor of Nazareth in 1975 and served in that role until he died. Between 1958 and 1962 he spent long periods under arrest in Israeli prisons and later was the target of several assassination attempts. On March 30 1976 he led a nationwide strike against land confiscation, a day now commemorated every year as Land Day. He wrote poetry throughout his life.

Palantir assisting genocide in Gaza



PHOTO BY ALI HAMAD

# GAZA, ZELENSKY AND THE NHS

## WHAT THEY HAVE IN COMMON

by Alex Davidson

What do the Israeli genocidal war on Gaza, the Zelensky regime in Ukraine and the privatisation of the NHS have in common? One answer is that they all now depend on Palantir Technologies Inc.

Palantir is a United States Information Technology company, founded in 2003 by multi-billionaire Peter Thiel, who was co-founder of PayPal. Its first investor along with Thiel was the CIA owned company, In-Q-Tel, with whom it continues to work closely. Palantir provides the Israeli Defence Force (IDF) with intelligence, surveillance and targeting services as it does Zelensky's regime in Ukraine. In December 2023 Palantir was awarded the contract for the Federated Data Programme of NHS England with the aim of integrating all health data including patient confidential records.

### CONTRACTS

#### Israel

In January 2024 Palantir agreed to a strategic partnership with the IDF

under which it will provide the IDF with services to assist its "war-related missions". During Israel's genocidal war in Gaza, Palantir held its Board meeting in January 2024 in Tel Aviv in "solidarity with Israel". During the visit Palantir's co-founder and chairman, Peter Thiel, and its other co-founder and CEO, Alex Karp, met with Israeli President Herzog and Israel's top military brass.

Israel's Defence Ministry, one of the world's most technologically advanced militaries, struck a deal with the company to "harness Palantir's advanced technology in support of war-related missions." Palantir were surprised when the usually discreet Israelis allowed the partnership to be made public.

#### Ukraine

Alex Karp, Palantir CEO, was the first representative of a western company to meet Ukrainian President Zelensky. The meeting took place in Zelensky's bunker in Kiev in July 2022. Also present at the meeting was Mykhailo Fedorov, Ukraine's Vice-Prime Minister and

Minister of Digital Transformation. In Ukraine Karp says he saw the opportunity to fulfil Palantir's mission to "defend the West" and to "scare the f-ck out of our enemies."

#### NHS

In 2022 Palantir recruited Indra Joshi, formerly Head of the NHS Artificial Intelligence Unit. [1] In March 2023 NHS England 'ordered' hospitals to share patient data with Palantir and in November 2023 NHS England awarded Palantir a 7-year, £330 million contract to create and manage the Federated Data Platform (FDP). NHS England published the contract with Palantir to run the FDP but it is heavily redacted. Of its 586 pages 417 pages are completely blanked out.

There has been widespread opposition and questions about the awarding of the contract to Palantir including from the Good Law Project, BMA, Doctor's Association UK and patients' groups. [2] Tory MP David Davis said, "Patient trust is vital to our NHS, so foreign tech companies such as Palantir, with their history of supporting mass surveillance, assisting in drone

strikes, immigration raids and predictive policing, must not be placed at the heart of our NHS". [3] Labour MP Jon Trickett said, "Hundreds of millions of pounds of taxpayers' money is being siphoned out of the country and the NHS... and personal data about all kinds of health matters is being handled by a company linked to the US state — all without the consent of the patients, whose personal medical data is now in foreign hands". [4]

England has awarded an £8.5 million contract to consultancy firm KPMG to "promote the adoption" of the Federated Data Platform (FDP) by trusts and integrated care boards (ICBs). Leaked e-mails have revealed that Palantir has hired Topham Guerin to pay influencers to attack the Good Law Project on social media - but the source of the money is to be kept "confidential". [5] Topham Guerin were hired by the Tory party for the 2019 General Election. The company changed the name of the Conservative Party's Twitter account to "factcheckerUK" and used its reports to attack the Labour Party and Jeremy Corbyn.

Palantir's UK head, Louis Moseley, was quoted as saying that Palantir's strategy for entry into the British health industry was to "Buy our way in" by hoovering up smaller rival companies with existing relationships with the NHS in order to "take a lot of ground and take down a lot of political resistance." [6]

## What and Who are Palantir Technologies?

"They are the AI arms dealer of the 21st century," says Jacob Helberg, who serves as policy adviser to Karp at Palantir. [7]

As previously stated, Palantir Technologies was founded in 2003 by billionaire Peter Thiel. He named it Palantir after the mystical seeing stones in Tolkien's *The Lord of the Rings*. The company's original funders were Thiel and the CIA

backed company In-Q-Tel (IQT). Peter Thiel was an early investor in Pentagon aerospace contractor, Space X, and weapon maker, Anduril. He was the first big investor in Facebook, and he remained on its board until 2022. Palantir built its business providing data-analytics software to U.S. Immigration and Customs Enforcement (ICE), the FBI, the US Department of Defense, and a host of foreign-intelligence agencies.

## In-Q-Tel

In-Q-Tel has had one mission for more than 20 years: to identify and invest in companies developing cutting-edge technologies that serve United States national security interests. IQT explores emerging technology and funds its partners to better anticipate and advance national security in the 21st century. It funds companies involved in Digital Intelligence, Autonomous systems, Intelligent Connectivity, Data Analytics, Artificial Intelligence (AI) and Machine Learning.

Trustees on IQT's Board include George Tenet, 18th Director of the CIA (1997-2004); Admiral Mike Mullen, 17th Chairman of the US Joint Chiefs of Staff (2007) and principal military adviser to Presidents George W. Bush and Barack Obama; Stephanie Sullivan, formerly Principal Deputy Director, of National Intelligence; and Jeffrey H. Smith, former General Counsel of the CIA and General Counsel of the US Senate Armed Forces Committee.

Steve Bowsher, CEO of In-Q-Tel, said, "The Ukraine conflict has been an eye-opening experience in terms of the role commercial technology has played. We are very proud of the fact that over 30 IQT portfolio companies have seen their technologies deployed as part of Western efforts to support Ukraine. Everyone's learning what the future of warfare looks like, with the role of things such as drones and the role commercial technology plays in areas such as communications, sensing,

and cyber activities. Everyone knew the world was heading in this direction, but Ukraine's conflict with Russia has been a manifestation of this and people are seeing it's happening at a larger scale – and happening more quickly – than was previously expected." [8] IQT has been investing internationally since 2002 and opened offices in London (2018), Sydney (2019) and Singapore (2023).

## Project Maven

In 2017 the US military embarked on a project to bring artificial intelligence to warfare. It was called Project Maven. The project entailed the use of Google's artificial intelligence technology by the US military to analyse drone footage and flag images for action. It caused an uproar among Google employees: Thousands petitioned the company to end its partnership with the Pentagon and involvement in war-related activities and some workers left Google over its involvement. A few months after the workers' protest, Google decided not to renew its contract, which ended in 2019, but, at the same time, said that it would still seek defence contracts.

Google has continued to work with the US military. Its defence portfolio includes a project detecting corrosion on Navy vessels by applying machine learning to drone imagery and another supporting aircraft maintenance for the Air Force. Google also supplies cloud security technology to the Pentagon's Defence Innovation Unit, set up to help the agency work more closely with tech companies. In 2020 Google won a piece of a large CIA cloud contract, and it jointly won a \$1.3 billion deal with Amazon to supply cloud services to the Israeli government, including its defence agencies.

When Google's contract ended in 2019 Palantir took over Project Maven. US forces in the Middle East continued experimenting with the use of algorithms to identify potential targets using drone or satellite





Palantir stall at the NHS Confederation conference

imagery, now working with Palantir, after Google ended its involvement. The US military ramped up its use of artificial intelligence tools after the October 7 Hamas attacks on Israel and started using targeting algorithms in actual operations. US Central Command's chief technology officer told Bloomberg, the news organization, that machine learning algorithms helped the Pentagon identify targets for more than 85 air strikes in the Middle East in February 2024. [9] US bombers and fighter aircraft carried out those air strikes against facilities in Iraq and Syria on February 2. The Pentagon also used AI systems to find rocket launchers in Yemen and surface combatants in the Red Sea.

## US proxy war

Since Karp's initial meeting with Zelensky in Kiev in 2022, Palantir has embedded itself in the day-to-day work of the Ukrainian government. Many Ukrainian agencies including its Ministries of Defence, Economy and Education are using the company's products. Palantir's software, which uses AI to analyse satellite imagery, open-source data, drone footage, and reports from the ground to present to commanders with military options, is "responsible for most of the targeting in

Ukraine", according to Karp. After that initial meeting with Palantir in Kiev, Fedorov and his deputies began marketing the battlefields of Ukraine as laboratories for the latest military technologies. They lobbied governments and companies from European capitals to Silicon Valley. "Our big mission is to make Ukraine the world's tech R&D lab," Fedorov said.

Ukrainian officials say that they are using Palantir's data analytics for projects that go far beyond battlefield intelligence, including collecting evidence of alleged Russian war crimes. Palantir's AI software will certainly come in handy there! Palantir also played a key role in the re-settlement of over 100,000 refugees from Ukraine to the UK. More than 2000 local authority case workers across all councils in England and Northern Ireland used the platform to manage the process end-to-end to get refugees accommodated with their sponsors and re-settled in the UK.

At the World Economic Forum at Davos in 2023 a panel discussion brought together once again Palantir CEO, Alex Karp, and Mykhailo Fedorov, Vice Prime Minister of Ukraine. The title of the session was "A New Age of Technology, Wel-

fare and Deterrence: Lessons from the War in Ukraine". Alex Karp has written, "Those using our platform in the defense and intelligence context, for reconnaissance, targeting, and other purposes, require the best weapons that we can build. And we have never been inclined to wait on the sidelines while others risk their lives... Those on the front lines, and in the arena, will bend the arc of history." [10]

Palantir has made it clear that they see the company at the forefront of warmongering in defence of the West's interests, whether it be in Ukraine or Gaza, and at the same time they are making billions of dollars. Palantir and their CIA-partners will soon have even more access to a vast amount of private data on the British population via the NHS and we are paying for it.

[1] "NHS's AI chief joins CIA-linked US tech firm". *Health Service Journal*

[2] "NHS threatened with legal action over patient data platform". [www.theregister.com](http://www.theregister.com), 31 March 2023

[3] *Daily Mirror*, 7 February 2023

[4] "NHS data given to CIA-backed Palantir". <https://morningstaronline.co.uk/>

[5] Good Law Project, 22 December 2023

[6] "Peter Thiel's Palantir Had Secret Plan to Crack UK's NHS: Buying Our Way In". *Bloomberg.com*, 30 September 2022

[7] Jacob Helberg was previously a policy adviser at Google. He is a member of the US-China Economic and Security Review Commission. The *Wall Street Journal* wrote: "Spearheading the effort to create the bipartisan, bi-coastal alliance of China hawks is Jacob Helberg"

[8] "Seven Questions About the Future of IQT: Steve Bowsher, President and CEO". <https://www.iqt.org/blog/>

[9] "US used AI to Help Find Middle East Targets for Airstrikes". *Bloomberg*, 26 February 2024

[10] "Letter from the CEO", <https://www.palantir.com/uk/>

# Ukraine war gets even more dangerous

by Simon Korner

The nearer Ukraine gets to defeat, the more out of control the war becomes. Unable to make gains on the ground, a desperate Ukraine has been inciting terrorism and attacking oil refineries and infrastructure inside Russia as well as the Russian-controlled nuclear power station in Zaporizhia.

## Ukraine's weakness

The failure of last summer's Ukrainian counter-offensive was sealed by the fall of the heavily fortified eastern Ukrainian town of Advika in March this year. Advika, from where Ukraine had been bombarding neighbouring Donetsk city for almost nine years, was abandoned in a chaotic retreat that left behind hundreds of prisoners and heavy weapons.

The Ukrainian army lacks weapons and ammunitions and manpower. Zelensky said in mid-April, "Today, artillery at the front is 1 to 10, aviation – 1 to 30. With such statistics, the Russian Federation will push us back every day." In need of more troops, Ukraine has lowered the draft age and reduced the scope for medical exemptions. According to the *Financial Times*, Ukraine's adult male population of 11 million has fallen drastically in the last two years through deaths, emigration and the almost 3 million in the east who have taken Russian citizenship. That leaves 3.7 million eligible for mobilisation, but of these an estimated 1 million are evading it. [1] Prime Minister Shmygal admitted: "The demographic situation in the country is very difficult." The fracturing of society is reflected



Former head of Ukraine armed forces Zaluzhny (right). Sacked by President Zelensky (left)

PHOTO BY PRESIDENTIAL OFFICE

in the public spat between Zelensky and his military chief Zaluzhny, which ended in the latter's sacking in February, highlighting the breakdown between political and military rule in Ukraine.

And the immense suffering of Ukraine's population, the poorest in Europe, is getting worse. The UN-based International Organisation for Migration estimates that 40% of Ukraine's population requires humanitarian aid. Nearly three-quarters of Ukrainians would compromise for peace, according to a recent poll. [2]

Western establishment mouthpieces are gloomy about future prospects: "Ukraine could face defeat in 2024. Here's how that might look". (BBC 13/4/24) The ex-head of Czech intelligence General Pelc says: "Russia is crushing Ukraine in a slow and systematic way... we only prolong the agony and increase the number of dead people."

## Russia's strength

Despite western sanctions, and contrary to mainstream media reports about its imminent economic collapse, Russia's economic indicators in 2023, "exceeded most expectations, with GDP growing by 3.6 percent". [3] This was achieved through increased arms production, the opening of new international markets for sanctioned products and the expansion of its domestic industry to replace western companies.

The population is largely united behind the war, with 73% support, according to a poll in November 2023. [4] The recent Russian elections strengthened Putin's position after a landslide victory with a high turnout – including among the Russian diaspora.

Militarily, Russia has strengthened itself following early setbacks in the war. The US journal *Defense*



News says Russia has raised arms spending to 6% of its budget this year, and is receiving Chinese, North Korean and Iranian support. [5] Arms production has increased by 15 times since war began, the efficiency a legacy of Soviet planning. Russian artillery factories are working 24 hours a day and the workforce has risen from 2.5 to 3.5 million. Russia is producing more than double the number of shells than all western countries combined. [6] Meanwhile, Estonian intelligence estimates that Russia can train 130,000 troops every six months and the UK think-tank RUSI reports that Russian frontline forces in Ukraine rose from 360,000 to 470,000 last year. [7] The US Deputy Secretary of State says that over the last few months, "Russia has almost completely reconstituted militarily".

Russia is advancing slowly. According to retired US Col Douglas MacGregor, its caution reflects fears that an outright rapid victory could provoke NATO into more reckless military escalation. Nevertheless, MacGregor predicts that by June this year the Ukrainian front could have crumbled. Having finally gained air superiority after destroying Ukraine's air defences, Russia has begun to target Ukrainian infrastructure in response to recent attacks. It has struck power plants across Ukraine, causing widespread blackouts and squeezing Ukraine's foreign exchange which it earns from energy sales to the EU. Ukraine's arms factories are also being 'demilitarised'.

Russia's relative restraint up to now – according to Putin it rejected US-style 'shock and awe' tactics for humanitarian reasons – is over. It now says it's fighting a full-on war as it fends off attacks on its navy in Crimea and inside Russia proper, including terrorist incidents such as at the Crocus Hall in Moscow. Russia blamed this on western intelligence agencies using ISIS as cover, a charge the West denies.

## Russia's aims

Russia's goals have remained consistent: to defend its people and territory against NATO and Ukrainian attack, including the protection of the ethnic Russians in Ukraine. This means ensuring Ukraine is demilitarised and stays out of NATO. It also means denazification – annihilating the openly fascist groups that led the coup against democratically elected President Yanukovich and went on to form the backbone of Ukraine's National Guard and other army units. Russia must not only protect its cities and infrastructure but also defend its historically vulnerable southern flanks and Black Sea coast. In 1918 western forces attacked the fledgling USSR from the south, and western-backed White Russians did so again during the Russian civil war. Today, British and US reconnaissance pinpoints naval targets in Crimea and supervises attacks. British Chief of the Defence Staff Admiral Tony Radakin is believed to be directing Ukraine's Black Sea strategy.

In 2014 Russia declared it had no territorial ambitions and would support Donetsk and Luhansk remaining within Ukraine as autonomous

in Ukraine and Ukrainian artillery strikes on Donbas reached an unprecedented pitch, Russia felt compelled to launch its pre-emptive strike. The Special Military Operation used a relatively small force and was designed to stop the attacks on the Donbas and bring Ukraine to the negotiating table, which it managed to do. But just as Zelensky was about to sign a peace deal, Boris Johnson rushed to Kiev in April 2022 to prevent it. In September 2022, Russia offered a ceasefire, and a year later repeated the offer. Both times it was rebuffed. In April 2024, foreign minister Lavrov again suggested negotiations, as long as Russia's security needs were taken into account.

Russia's unwavering insistence on its own security stems from NATO's 1991 promise not to expand eastwards, which was broken when NATO absorbed eastern Europe. It was President Yanukovich's attempt to prevent NATO swallowing Ukraine that precipitated his downfall. With him gone, Ukraine's NATO controllers rapidly escalated attacks on the Donbas, a working-class, Russian-speaking region that refused to accept the legitimacy of the Kiev regime after the 2014 coup.

**Russia's goals have remained consistent: to defend its people and territory against NATO and Ukrainian attack, including the protection of the ethnic Russians in Ukraine.**

regions. But Ukrainian shelling of ethnic Russian civilians in the Donbas, which killed 14,000 people, effectively undermined the federated structure agreed on between Russia, France, Germany and Ukraine at Minsk in 2014. This 'agreement' was signed deceitfully to buy time for Ukrainian re-armament, as Angela Merkel admitted later.

When in 2022 Zelensky called for NATO to deploy nuclear weapons

Meanwhile, the CIA began preparing for war by building a string of spy bases in eastern Ukraine, according to the *New York Times*. [8]

Putin has said Russia won't push west of the Dnieper river. The problem for Russia will be how to protect its territory from attack given western rockets and drones have a current range of 500 kms and 900 kms respectively. While Putin dismissed propaganda about Russia invad-



ing any NATO country as “folly and nonsense”, he also warned that if NATO bombers take off from Poland or elsewhere to hit Russia, airbases in those countries will become legitimate targets.

Having been deceived at Minsk, Russia will not allow a false peace settlement that gives time for Ukraine to re-arm. From its current position of relative strength – “situations on the battlefield determine new realities,” as Lavrov put it – Russia is likely to fight on until Ukraine declares neutrality. It may accept a Korea-style demilitarised zone dividing Ukraine. It may also take Odessa, a Russian city on the Black Sea, in order to protect its southern coast.

## US aims

For the USA, its \$300 billion expenditure on Ukraine since 2014 is money well spent. NATO’s expansion to Finland and Sweden has given the US control over all of northern Europe, including the Baltic Sea. This expansion will be cemented by building twelve bases in Norway’s Arctic from which it can disrupt Russia’s northern shipping routes and prevent Russia from developing natural gas extraction, as the US State Department stated recently. Another US gain has been to suborn its main European competitor Germany through the deliberate destruction of the Nord Stream pipeline in late 2022, which cut off Germany’s imports of cheap Russian gas and forced it to import more expensive natural gas from the US and Norway. The western narrative of a rogue Ukrainian team sabotaging the pipeline has been debunked by Lloyds of London, which is refusing to pay out damages to Nord Stream’s owners because the explosions were a state act of war, hence not covered by insurance.

Like Germany, France, humiliated when the US pressured Australia to abandon its French submarine deal in favour of US nuclear subs, has been firmly put in its place by the



Crocus City Hall Moscow after terrorist attack

PHOTO BY E. H. СОЛЖЕНИЦЫН

US. Macron’s attempts at asserting French autonomy have been dismissed as a “pipe-dream” in the US establishment journal *Foreign Affairs*. [9]

The US will keep stoking the war with the aim of draining Russia’s economy, destabilising and ultimately dismembering it. This means pushing Europe to provide more funding and supply longer-distance weapons and planes. It also means using instability in neighbouring ex-Soviet countries like Georgia, Armenia, Moldova – where the US has recently deployed troops on military manoeuvres with Romania – and elsewhere to weaken Russia, and intensifying terrorist attacks on Russian territory. This forces Russia to focus on self-defence, neutralising it as a strategic power to create the necessary conditions for the bigger war to come, against China.

## Europe and NATO

The internecine rivalries between the European powers have intensified during the Ukraine war, as each seeks to mitigate their humiliating treatment at the hands of the USA. In March, Macron told the other European powers not to be “cowardly” and boasted that 1,500

Foreign Legion troops were ready to enter Odessa, sensing an opportunity to seize the role of leader of Europe within NATO. This, despite having pledged only €2 billion to aid Ukraine, compared to Germany’s €22 billion.

Russian Foreign Ministry spokeswoman Maria Zakharova says that the recent threats by Macron and Poland’s foreign minister Sikorski to deploy troops in Ukraine is about positioning themselves to control the remnants of western Ukraine – in Poland’s case, under the pretext of protecting its own borders. Poland has ambitions to retake its former territory of western Ukraine, known pre-World War 2 as ‘Eastern Lesser Poland’. This potential scramble for Ukraine by foreign powers follows on from Zelensky’s offer to his allies at Davos in May 2022 of “the opportunity – a historical one – to take patronage over a particular region of Ukraine, city, community or industry.” [10]

However, apart from the military instructors already there, it’s not clear that NATO troops will actually enter Ukraine. The USA, UK and Germany are against it, fearing that soldiers – unprotected by NATO Article 5 which applies only to attacks against NATO terri-

tory – would be targeted by Russia. Also, French public opinion (68% according to a recent poll) opposes sending troops, while a majority in Poland likewise disapproves of Polish intervention – part of a wider disillusionment after Ukrainian corn flooded the Polish market and threatened Poland’s farmers.

Meanwhile, Germany’s hawks – such as defence minister Boris Pistorius and Free Democrats defence spokesperson Marie-Agnes Strack-Zimmermann, MP for Dusseldorf where leading German arms maker Rheinmetall has its HQ – argue for sending long-range Taurus missiles to Ukraine. A leaked report revealed the head of the Luftwaffe and other German generals discussing Taurus attacks against Crimea, which Russian Foreign Minister Sergey Lavrov called “a screaming revelation”. But supplying Taurus missiles would make Germany a target, according to Chancellor Scholz because the technical programming for it has to be done by Germany.

Both France and Germany are on the ground in Moldova – the impoverished neutral country between Romania and Ukraine, which is a potential flashpoint for further conflict. German police are deployed on Moldova’s Ukrainian border, while France has signed a defence pact with Moldova to secure a foothold close to the Black Sea.

Public differences between Germany and France are rooted in the failure of several major joint arms projects, which Germany has recently abandoned in favour of collaborating with the US. [11] These include building new generation fighter aircraft, tanks and missile defence systems. The two countries are now in an arms race forced on them by the USA as a means of making them shoulder the costs of the Ukraine war. Germany’s arms budget this year rose to \$73 billion, double that of 2015. France plans to outspend Germany.

Nevertheless, both are united under US-controlled NATO in backing Moldova’s pro-western government as it crushes the strong pro-Russian sentiment among at least half its population and shuts down Russian-language TV and internet channels. Both will support Ukraine if it attacks Transdnistria, a Russian-speaking autonomous region squeezed between Moldova and Ukraine, where a large ammunition dump is guarded by a small Russian military contingent.

## Outlook

In April, US Congress passed its long-delayed \$61 billion aid package to Ukraine. Combined with the growing contribution of the USA’s European vassals – corralled into buying weapons from the US military-industrial complex under the pretext of conforming to NATO rules on ‘compatibility’ – it’s clear that the West intends to keep the war going. US Secretary of State Blinken’s declaration that “Ukraine will become a member of NATO” supports this conclusion. [12] Future phases of the war could extend to the Arctic and Moldova, and make greater use of long-range missiles to strike infrastructure and cities.

Given the strategy of continuing to weaken Russia, the dangers of the conflict spinning out of control are growing, particularly when tactical differences emerge. When US Secretary of Defense Lloyd Austin warns Ukraine against hitting Russian refineries because it could “provoke Russia into retaliating and targeting energy infrastructure the West relies on”, [14] and NATO chief Jen Stoltenberg asserts that they’re legitimate targets, we know we’re in uncertain times. Anything can happen. [15]

Moreover, after the US scrapped all its nuclear missile treaties with Russia, the hedge against nuclear conflict no longer exists. General Cavoli, NATO supreme allied commander, warned in April that, with

no treaties, and having closed down all the communication channels which prevented escalation during the Cold War, the US is seriously risking nuclear disaster. (16)

[1] <https://www.ft.com/content/d7e95021-df99-4e99-8105-5a8c3eb8d4ef>

[2] <https://www.kiis.com.ua/?lang=eng&cat=reports&id=1372&page=1>

[3] <https://carnegieendowment.org/2024/04/10/is-kremlin-overconfident-about-russia-s-economic-stability-pub-92174>

[4] <https://www.atlanticcouncil.org/blogs/ukrainealert/how-strong-is-russian-public-support-for-the-invasion-of-ukraine-2/>

[5] <https://www.defensenews.com/pentagon/2024/04/03/russian-military-almost-completely-reconstituted-us-official-says/>

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[8] <https://www.nytimes.com/2024/02/25/world/europe/cia-ukraine-intelligence-russia-war.html>

[9] <https://foreignpolicy.com/2023/07/03/strategic-autonomy-is-a-french-pipe-dream/>

[10] <https://mind.ua/en/news/20241860-on-new-precedents-of-courage-unity-and-sanctions-zelenskys-speech-at-the-economic-forum-in-davos>

[11] <https://www.kyivpost.com/post/29300>

[12] <https://www.theguardian.com/commentisfree/2023/nov/20/france-germany-eu-europe-future>

[13] <https://www.msn.com/en-us/news/other/blinden-ukraine-will-become-a-member-of-nato/ar-BB1I5EEI>

[14] <https://www.politico.eu/article/report-us-urges-ukraine-stop-attacking-russian-oil-refineries/>

[15] <https://www.msn.com/en-ca/news/world/stoltenberg-ukraine-has-right-to-strike-military-targets-in-russia/ar-BB1IptsJ>

[16] <https://www.stripes.com/theaters/europe/2024-04-09/cavoli-nato-russia-nuclear-13516988.html>

# GROWING MILITARISM A THREAT TO THE WORLD

## NOTES FROM GERMANY

Translated by Pat Turnbull

The March editorial of German monthly journal *RotFuchs* (Red Fox) was written by Arnold Schoelzel and entitled 'Militarisation even without Fascism'. These are some of the key points he made.

### Militarism

Only ten years after 1945 a new German army directed against the Soviet Union was created, and the western allies allowed the Federal Republic of Germany (FRG - West Germany) to begin exporting armaments again. The annexation of the German Democratic Republic (East Germany) and the collapse of the Soviet Union gave the German arms industry not an end, but a new beginning. Since 2004, SIPRI (Stockholm International Peace Research Institute) has counted Germany among the major arms exporters. The rise in German weapons production is similar to only one other economic period, the 1930s. However, comparisons between the FRG and the fascist dictatorship are wrong because they minimise the nature of fascism in power. But the rises are worth comparing. Military spending as a proportion of the economy rose annually from 1925 to 1.5% in 1932, similar to the FRG before 2022. After the transfer of power to the fascists, military spending climbed steeply year on year until in 1939 it was 18.1%. The onslaught could begin.

On 14 February 2024, the FRG announced proudly that for the first time since 1992 it would be spending 2.01% of GDP (gross

domestic product) on arms – 73 billion US dollars, almost double the figure of 2015, and 18 billion dollars more than 2022. Two days before the announcement, Chancellor Olaf Scholz had symbolically dug the first hole for a new munitions factory belonging to the arms concern Rheinmetall, in Unterlüess

### The rise in German weapons production is similar to only one other economic period, the 1930s.

in Lower Saxony. At the end of the Second World War, roughly 5,000 foreign forced labourers and prisoners of war were liberated from the Unterlüess works by British troops. Between 1944 and 1945 Rheinmetall-Boersig took on trusteeship of the home for the children of foreigners there, which was also a maternity home for forced labourers and a place of death for their children. From August 1944 Rheinmetall also employed Hungarian Jewish women from the Tannenberg external camp of the Bergen-Belsen concentration camp.

Scholz was accompanied by Danish President Mette Frederiksen, a top grade social-democratic Russia-

hater. She ruled between 2015 and 2019 with the Danish People's Party, then more right wing than the AFD (Alternative für Deutschland - Alternative for Germany) – in other words, neo-Nazis. Neither of them said a word about the history of the place – after all, the enemy is the same one as it was then.

The past two years have once again, as in the 1950s, taught us that for a war against Russia fascism doesn't need to be in power and for there to be huge rises in arms production and profits for the war industry in Germany. Together with IG Metall, the metal workers' union, the arms concerns and the SPD (Social Democratic Party of Germany) Economic Forum had already announced on 9 February that this was all too little. The leading media say likewise.

### War and climate change

Another article in the same issue of *RotFuchs*, 'On the Hypocritical Morality of German Climate Policy', by Dr Doerte Hansen, also dealt with the question of armaments. The writer asserts that in Germany 'climate protection' has taken on the form of a regular pseudo-religion to which everyone and everything must be subordinated. But the same politicians in the same breath demand more and more military support for the 'freedom fight' of





Leopard Tanks – more than one way to destroy the planet

Ukraine against the 'brutal aggressor' Russia.

The Leopard IIa5 tank delivered to Ukraine uses on average 414 litres of diesel per 100 km. Compare this with the 12.11 litres per 100 km of an Audi Q8. Other armed vehicles are similar. Then there are the CO2 emissions of the armed vehicles. In the war against Russia even 'bad' greenhouse gases are suddenly 'good'.

The numbers relating to militarily produced CO2 are rare and not only because of secrecy. Most emissions

are not even measured. Why bother, when a clause in the 1997 Kyoto Protocol, included under pressure from the USA, means military emissions are not added to the national emissions of signatory states?

The CO2 footprint of the NATO military rose from 196 million metric tons of CO2 equivalent in 2021 to 226 in 2023. That's not including wars. In 2021 only six NATO countries had reached the two per cent military spending goal. What if every member fulfilled this plan by 2028? It would mean a 50% rise in the CO2 footprint compared to 2021.

And NATO leader Jens Stoltenberg says a two per cent increase should be a minimum.

Since February and through to June 2024, NATO is conducting its biggest manoeuvres for decades. 90,000 soldiers, more than 1,000 battle vehicles, 50 ships and many fighter planes will be doing their best to drive greenhouse gas emissions to ever new heights. The F-35 has considerably higher emissions than the old F-16. A single F-35 uses up 5600 litres per hour and emits greenhouse gases corresponding to a CO2 equivalent of 2.2 metric tons.

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# 40 Anniversary of the miners' strike YEARS OF INJUSTICE

## Demand for Orgreave inquiry will not be silenced

by Kate Flannery  
Secretary of the Orgreave  
Truth and Justice Campaign

On 18th June 1984, a paramilitary police force, directed by the state, attacked striking miners picketing the Orgreave coking plant in South Yorkshire. Orgreave became the blueprint for the policing of dissent and sent a harsh message to working class people that strike action would be met by the full force of the state. 40 years later those falsely arrested and injured are still waiting to see justice.

This is the 40th anniversary year of the great 84/85 miners' strike, a strike against Tory Government plans for mass pit closures and to defend jobs, communities and the trade union movement.

### Ridley plan to punish the miners

In the 1970s the National Union of Mineworkers (NUM) successfully improved its members' working conditions and pay, often through industrial action including the spectacular and important victory at Saltley Gate 52 years ago. The miners not only won a considerable and necessary pay rise but were an inspiration to other workers fighting to improve their living standards.

The Tories never forgot the Miners' Strike of 1972, nor that the victory also contributed to their defeat in the 1974 general election. They have been punishing the trade unions ever since. As they planned to win the next election, and, if successful, introduce a mass privatisation programme, they covertly plotted to

crush dissent and destroy organised labour, including plans for a more militarised police force they could deploy against striking workers. In 1977 Tory backbencher Nicholas Ridley MP presented the Report of the Nationalised Industries Policy Group to the Party Leader, Margaret Thatcher, with these secret intentions. This 'Ridley Plan' was

responded with effective action in Scotland, England and Wales. The support and solidarity the strike received throughout Britain and the world was phenomenal. The miners were fighting for all of us.

Police intervention involved forces from all over Britain preventing pickets from gathering in large



a detailed document about how to antagonise and win a fight with Britain's trade union movement. The vicious and hostile plan is necessary reading to help to understand how we got to where we are today. [1]

### The Miners' Strike

March 1984 - March 1985 became a year like no other. Approximately three quarters of miners (around 160,000) were on strike to defend jobs, their industry and communities in response to National Coal Board (NCB) plans for the accelerated mass closure of coal mines throughout Britain. The strike was never about pay. The NCB maintained this would initially mean huge job losses of 20,000 but the NUM revealed that the reality was a plan for axing 70,000 jobs. The Tories lied that many of the pits were no longer economically feasible, but their plans had nothing to do with viability and everything to do with revenge and the race to neoliberalism. A very well organised NUM

numbers and stopping miners and supporters travelling to picket and show solidarity. Some police tactics involved obstructing vehicles and threatening arrest, often damaging vehicles if picketers refused to turn back. Some pit villages were often occupied and cordoned off by police in riot gear with imposed curfews and restrictions of movement out of the area.

The policing of the miners' strike should have shocked the nation. However, the dishonest reporting by most of the broadcast and printed media set the false narrative for the miners' strike, with Prime Minister Thatcher denouncing striking miners and their supporters as 'the enemy within'.

### Orgreave – police riot

Three months into the strike, the NUM called for a mass picket of the Orgreave coking plant in South Yorkshire on 18 June 1984 to prevent scab lorries moving coke to the

steel works in Scunthorpe. Large pickets had been previously held at Orgreave throughout May and June and the police presence had intensified with brutal and hostile police violence and arrests.

NUM plans were made for miners to travel from all over Britain. Unlike previous occasions when miners had been prevented by the police from travelling to pickets, on this occasion the police did not stop them from reaching their planned destination. On their arrival at the large area of Orgreave on 18 June, while effective NUM picketing was taking place, thousands of the gathering miners were guided to areas where the police had decided that they wanted them to go. There were thousands of police present, from many different forces.

Using the Ridley Plan tactics, the Tories executed their brutal militarised offensive and a police riot followed. Mounted police and dog handlers, and police armed with shields and truncheons, violently attacked the gathering miners, and a snatch squad of police using short shields and truncheons for the first time, chased, battered and incapacitated people at random.

Many miners were seriously injured, some sustaining life-threatening wounds. 95 miners were arrested and charged with unlawful assembly and riot offences that could have resulted in life sentences if convicted. Almost a year later, with all the upset and anguish involved for the miners, their families, comrades and friends, the cases went to court. The prosecution abandoned the case after 48 days of hearing from police witnesses when it became clear that there was a mass fabrication of police evidence and the police had perjured themselves in court.

Government papers released 30 years later prove what was already suspected and known at the time. The Thatcher government was involved in micromanaging

police operations at Orgreave and throughout the strike. Some of the arrested miners brought claims for malicious prosecution, assault and unlawful arrest which were settled out of court, with South Yorkshire Police (SYP) paying compensation but without accepting any liability. Neither the police or government have ever admitted any wrongdoing and no police officers were ever prosecuted or disciplined for their violence and lies.

The Tories mobilised unprecedented resources to demonise and criminalise miners, the NUM and its leaders. The full force of the state, involving the media, police, judiciary and social security, was deployed.

## Orgreave Inquiry

The Orgreave Truth and Justice Campaign (OTJC) was set up in late 2012 to campaign for a full and independent inquiry into the state organised police riot and conduct at Orgreave. The SYP had referred themselves to the Independent Police Complaints Commission (IPCC) after a BBC Inside Out documentary about policing at Orgreave. The 2012 Hillsborough Independent Panel (HIP) revelations about the 1989 Hillsborough stadium disaster gave renewed hope that an inquiry into the policing of pickets at Orgreave would help to get truth and justice for striking miners.

The NUM, politicians, social justice activists, trade unionists and lawyers have campaigned and worked over many years since the strike to emphasise that what happened at Orgreave was one of the most serious miscarriages of justice in an industrial dispute, the consequences of which can be seen by the system we live in today. Cases of police coverups, criminality and corruption are in the news on a regular basis and activists know only too well about the police abuse of power and lack of accountability.

**A SERIOUS CRIME  
HAPPENED HERE**

STRIKING MINERS WERE BEATEN UP, FITTED UP  
AND LOCKED UP. THE GOVERNMENT HAVE  
REFUSED TO INVESTIGATE

**DEMAND JUSTICE NOW!**

CONTACT THE HOME SECRETARY  
Email: [public.enquiries@homeoffice.gov.uk](mailto:public.enquiries@homeoffice.gov.uk)  
@ukhomeoffice or call  
**020 7035 4848**  
#OrgreaveJustice

In June 2015 the IPCC found that police officers had assaulted miners at the mass picket at Orgreave, perverted the course of justice and committed perjury in the failed prosecutions which followed. However, they reported that it was not within their remit to mount a formal investigation.

The OTJC believe that an Orgreave inquiry is in the public interest to put the facts in the public domain and to put an end to years of lies and cover-ups by the Conservative government about the political role they played in orchestrating and managing the pit closure programme in the 1980s, directing militaristic police operations in an industrial dispute and manipulating the courts and media to manufacture a false narrative to demonise and criminalise workers fighting for their jobs and communities.

Despite years of representations from campaigners, politicians, trade unions, lawyers etc, the government continually refuses to allow any kind of Orgreave inquiry. Solidarity and support continue from the Trade Unions, Trades Councils, branches, and activists. Numerous Labour councils have called on various Tory Home Secretaries to order an inquiry. Poli-



cians continue to show support by using parliamentary processes to press for an Orgreave inquiry.

## Inquiry refused – fight goes on

The OTJC submitted a detailed and compelling case to the Home Secretary in late 2015 and in October 2016, despite even *The Times* newspaper reporting there would be some kind of inquiry, the then Home Secretary, Amber Rudd, refused. [2] Her reasons were that there was no miscarriage of justice, policing practices had changed, there was nothing new to learn from what happened over 30 years ago, nobody died and it was not in the public interest.

Since that flawed decision there have been a number of significant developments which serve to heighten the need for some kind of inquiry.

■ We have seen the release of Home Office files from 1984/85 and have learnt Association of Chief Police Officers files relating to the miners' strike are disgracefully embargoed until 2066

■ We salute the Scottish Review into policing during the miners' strike, accepted by the Scottish Parliament including their Conservative MSPs in October 2020, followed by legislation in 2022 [3]

■ We have also had insight into Amber Rudd's real reasons not to hold an inquiry reported in an article in 2021. Rudd was concerned that it would tarnish the legacy of Margaret Thatcher [4]

■ In 2023, reporting of the late Queen's response to the police riot at Orgreave made the headlines when she was said to have been shocked and upset at the scenes [5]

■ At the TUC conference 2023, Labour Deputy Leader Angela Rayner confirmed the party's

commitment to justice for Orgreave [6] and this year Shadow Home Secretary, Yvette Cooper reiterated Labour's commitment to an inquiry [7]

Our OTJC Megaphone Petition demanding an enquiry has been signed by thousands of people. We are not going away. [8]

## Miners' Strike 40th Anniversary

This year there have been several television documentaries about the policing of the miners' strike and we are grateful to all who have spoken up in this 40th anniversary year not just to remember what happened but to make it clear we still demand justice.

Our campaign continues to reveal the reality about what happened throughout the miners' strike and is creating an awareness amongst younger generations who see that the injustices they campaign against have many similarities with the miners' struggle. The 40th Anniversary events currently taking place throughout Britain are celebrating the amazing resistance and solidarity shared by so many and are using that to reflect on the past to help us organise for the present and the future.

Full details of what OTJC expects from an enquiry can be found at [https://otjc.org.uk/wp-content/uploads/2022/05/ORGREAVE\\_Leaflet\\_2022.pdf](https://otjc.org.uk/wp-content/uploads/2022/05/ORGREAVE_Leaflet_2022.pdf)

Come along and join us and a range of impressive speakers at our March and Rally in Sheffield on Saturday 15th June 2024. <https://otjc.org.uk/orgreave-rally-2024/>

[1] Ridley Plan <https://otjc.org.uk/ridley-plan/>

[2] Inquiry into police over 1980s clash with miners ([thetimes.co.uk](https://www.thetimes.co.uk))

[3] Miners' Strike Pardon Bill passes - gov. scot ([www.gov.scot](https://www.gov.scot))

[4] Top Tories blocked Orgreave inquiry 'because it would tarnish Thatcher's memory'

[5] Even the Queen was horrified by police conduct at Orgreave – Orgreave Truth and Justice Campaign ([otjc.org.uk](https://otjc.org.uk))

[6] Deputy Labour leader, Angela Rayner's speech to TUC Congress 2023 | TUC

[7] Yvette Cooper MP: Forty years on from the miners' strike and the scars are still felt ([wakefieldexpress.co.uk](https://www.wakefieldexpress.co.uk))

[8] Demand an Orgreave inquiry for truth and justice | Megaphone UK

## From The Socialist Correspondent 10 years ago

"The crisis in Ukraine is the result of a western attempt at regime change and the strategic reorientation of this faultline nation....

Control over Ukraine fits NATO's long-term strategy of encircling Russia. Against George Bush's promises not to expand the western alliance – made at the time of German reunification – nine former Warsaw Pact countries and three former Soviet Republics have so far been absorbed into NATO...

Whilst the West is not ready for war with Russia, it is driving Ukraine into a possible civil war, which could spark a wider conflict."

Issue 20 Summer 2014

**Ukraine: West aims for strategic control**

*Simon Korner*

# Capitalism's crisis and the threat to democracy

by Gary Lefley

Barely a week goes by in Britain without a major incident or high-profile speech summoning up the forces of the far-right and calling for state repression of democratic rights.

Back in April one such event involved Gideon Falter of the Campaign against Antisemitism. (CAA) The CAA is an organisation which exists to defend and excuse the policies and actions of the Israeli state. This includes supporting the regime's war of ethnic cleansing and annexation of Gaza. The CAA equates criticism of the state of Israel with antisemitism, so any critique of Israel's genocidal war is dismissed as antisemitic. Falter is the Chief Executive of CAA and was recently at the centre of a controversy when the metropolitan police refused to allow him and his accomplices to march through the centre of a mass public demonstration which was calling for an immediate ceasefire in Gaza. He claimed that he just happened to be out "for a walk" when by chance he came across the demonstration. The police suggested an alternative route, which Falter rejected. He then attempted to shove police officers out of his path.

Dal Babu, a former Met chief superintendent, told the BBC's Today programme that the full 13-minute footage from the encounter showed officers "bending over backwards" to help Falter. Babu added that had he been at the scene, he would have arrested Falter for "breach of the peace." He continued, "...the full picture shows somebody trying to go against the march, attempting to push past police officers



*Palestine protesters in London stand up for free speech*

PHOTO BY ALISDARE HICKSON

and being quite frankly rude and aggressive". [1]

If Falter was out for a walk, why not enjoy the beautiful green acres of Hyde Park, or Green Park, or St James' Park, all of which are a stone's throw away? Why that place at that time? Why was he so dismissive of police assistance? Why up the stakes by trying to barge past police officers to dissect a demonstration that, coincidentally, he wanted banned? To the world, his behaviour looks like a planned provocation. Ben Jamal, head of the Palestine Solidarity Campaign, concluded that Falter staged the stunt "to provoke a banning of marches against Israel's genocide". It is hard to disagree. [2]

## Ban the marches

'Ban the marches' is a recurring far-right narrative. Suella Braverman MP, former home secretary, has repeatedly called for public demonstrations in support of a ceasefire in Gaza to be outlawed. After Falter's incitement she re-

issued that demand and is now calling for Police Commissioner Sir Mark Rowley to be sacked. Lee Anderson MP hit the headlines back in February with his racist outburst directed at Sadiq Khan and the hundreds of thousands of demonstrators in London supporting a 'Free Palestine'. He accused Khan of giving "our capital city away to his mates..." claiming that Islamists have "got control of Khan and they've got control of London". [3] Robert Jenrick MP, former Minister of State for Health, Minister of State for Immigration, and Secretary of State for Housing, Communities and Local Government, told Parliament in February: "we have allowed our streets to be dominated by Islamist extremists". [4]

In March Prime Minister Sunak, referring to the entirely peaceful demonstrations against the genocide in Gaza, summoned Police chiefs to Downing Street to allege that there is a "growing consensus that mob rule is replacing democratic rule". [5]



## Growth of far right

The attack on the freedom to protest collectively is by no means the only manifestation of a growing far-right faction within British ruling circles. In March, cabinet Minister Michael Gove MP unveiled his strategy to combat 'extremism'. One of the organisations named by Gove, the Muslim Association of Britain, has been part of the coalition of five groups organising the national demonstrations calling for an immediate ceasefire in Gaza. The groups, which include Stop the War and Palestine Solidarity, issued a joint statement saying, "We condemn Michael Gove's statement. His redefinition of extremism, framed as a defence of democracy, is in reality an assault on core democratic freedoms, seeking to silence dissenting voices." [6]

Frank Hester OBE is the Tory Party's biggest donor and he recently gifted a further £10 million. In March he was reported to have told a meeting in 2019 that looking at Diane Abbott made him "want to hate all black women", and "she should be shot." [7] Incitement to hatred carries up to a 6-year custodial sentence. Five years later Hester has apologised. Evidently, if you donate millions to the Tories then that's enough to stop you going to prison, or even being charged.

Imagine, just for one impossible moment, if Abbott had said Boris Johnson made her hate all white men and he should be shot. Imagine the enduring media outcry. Her public life would be over and Johnson would very likely press criminal charges.

A number of Tory MPs claimed Hester's comment was 'rude' but neither racist nor threatening. And Sunak - with multi-million pounds of finance capital at his Party's disposal - is nevertheless happy to accept Hester's money. Evidently calling for someone to be shot because she is black is not



PHOTO BY SIMON DAWSON

*Michael Gove the real face of extremism*

'extreme'. Gove will not, of course, acknowledge the real far-right extremist menace, which comes from within his own Party and from within the British establishment. For the rest of her life, Diane will be looking over her shoulder waiting for some fascist psychopath to do Hester's bidding.

## Authoritarianism

Back to Anderson. In August 2023 he commented that any asylum seekers who disliked being housed in barges "should f\*ck off back to France". Justice Secretary Alex Chalk voiced his support for Anderson on behalf of the government, stating that Anderson's "indignation is well placed" and "not bigotry at all". [8] During the 2019 General Election campaign Anderson suggested council estate tenants should be evicted into tents in a field and made to pick vegetables. He has described Black Lives Matter as a "political movement whose core principles aim to undermine our very way of life". In November 2021, he told a female councillor to "stay out of big boy politics". [9] Four years ago, his own Party investigated him over claims of antisemitism.

Anderson's rants are not the aberrations of an eccentric non-entity.

He was until recently the Deputy Chairman of the Conservative Party and chair of the Conservative Party's Blue Collar Caucus. Though he has now switched to the Reform UK Party, he remains a mouthpiece of a powerful proto-fascistic faction within ruling class ranks, a faction that Reform UK seeks to represent.

Anderson is not alone. At the Tory Party conference in October 2023 Suella Braverman, projected herself as the leader of the Tory far-right and a future Tory prime minister, "the hurricane... is coming... the future could bring millions more migrants to these shores, uncontrolled and unmanageable..." Speaking in Washington DC the month before, she described migrants and refugees as "an existential challenge for the political and cultural institutions of the West". [10] Anderson, Braverman and Jenrick currently represent a minority within conservative thinking, but they are not marginalised. They speak on behalf of a significant, and increasingly vociferous wing of the British ruling class.

When Sunak referred to 'mob rule replacing democratic rule', it was a victory for the far-right. Having come under attack for removing the Party whip from Anderson, he



was then obliged, almost immediately, to appease the Tory extremists with a baseless attack on the right to demonstrate. That far-right is looking for Britain to follow Germany in instituting a state crack-down on such demonstrations.

Sunak's ruthless commitment to the policy of deporting immigrants to Rwanda is partly a desperate appeal to base populism in order to reverse Tory fortunes in the opinion polls. But it is also another victory for the extremists within his own ranks.

## Capitalism's crisis

The capitalist world has been in economic crisis since 2008. The 30-year parasitical bonanza that materialised from the counter-revolutions in the Soviet Union and Eastern Europe, had been frittered away. Asset-stripping, imperial capitalisation of what was formerly Soviet public property, mineral exploitation and market acquisition have all contracted as Russia, under Putin, established its own identity as a capitalist nation state.

The boom-bust cycle, for decades thought to be intrinsic to the market economy, has disappeared and been replaced by enduring crisis and a sustained trend towards declining productivity. British monopoly capitalism, in the form of neo-liberalism, has perceived the solution to the post-2008 crisis to be the cannibalising of public industries and services and intensifying the rate of exploitation of labour, both at home and abroad.

## State coercion

Under the floss of five come-and-go Tory Prime Ministers, including breathtaking incompetence and substantiated corruption, there has been one tangible constant: the sustained dismantling of democratic rights. A stream of legislation has passed quietly through parliament, removing the democratic

rights of the people and ramping up the coercive power of the state. [11] In just the last three years this has included the Overseas Operations Act 2021; the Covert Human Intelligence Sources Act 2021; the Judicial Review and Courts Act 2022; The Police, Crime, Sentencing and Courts Act 2022; Nationality and Borders Act 2022; Election Act 2022; Policing Act 2022; Public Order Act 2023; the National Security Act 2023; the Illegal Migration Act 2023; the Strikes (Minimum Service Levels) Act 2023.

The objective has been clear: whether or not the crisis is resolvable, the profit margins of big business will be looked after and public opposition will be repressed. Neoliberalism has remained the

**Since 2010 the cost of this enduring crisis has been offloaded onto the working classes through controlled inflation, falling real wages, massive cuts in the social wage and deteriorating working conditions.**

unchallenged dogma, with sweeping privatisation, 'liberalisation' of regulations on everything from the management of raw sewage to construction, the asset stripping of public property, and the suppression of workers' wages and conditions of service. Since 2010 the cost of this enduring crisis has been offloaded onto the working classes through controlled inflation, falling real wages, massive cuts in the social wage and deteriorating working conditions. All the indices of social deprivation continue to rise. Consequent unrest and resistance are being met by the state.

## Establishment divisions

British ruling circles are not united behind this frontal assault on democracy. While Labour's front bench has been groomed as a safe

neoliberal option and the drive towards authoritarianism, reflected in the drive to war and across the major capitalist states, is manifest, these developments do not reflect a unified British ruling class. The divisions are becoming apparent. Sunak was appointed by Tory MPs as a centrist who, they hoped, could unite the parliamentary Party after the divisive, disastrous tenure of Liz Truss. Braverman has been relegated to the backbenches after she was dismissed as home secretary for describing protesters as 'hate marchers', blaming the police, and calling for the demonstrations to be banned. Anderson had the Tory Party whip removed for his racist comments and has now joined Reform UK.

On 14th March the *Financial Times* Editorial Board published a critique of Gove's government guidelines on extremism, concluding that they "carry risks for free speech and legitimate protest". The editorial comment went on to say, "... the new definition contributes to a troubling expansion of what constitutes harmful extremism away from physical acts and straightforward incitement towards ideology and sets of beliefs. In striking the difficult balance between freedom and safety, governments should err on the side of free expression and the right to dissent." [12]

The *FT* has never been for mass public readership. It has the unique role of the ruling class talking amongst itself - and it can therefore be revealing. What is important about the editorial com-

ment above is it indicates that the battles within the capitalist class are anything but concluded. As yet, that disunion appears to be having minimal impact on the legislative programme to repress democratic rights. Nevertheless, divisions within the political establishment serve as a break on the drive to proto-fascism and to war.

## Democratic response

To respond to these developments there is an urgent requirement for both an intensification of working class militancy in defence of its socio-economic interests and for the broadest unity of forces in defence of peace and democracy. With the significant rise in industrial action and working days lost to strike action over the past two years, and the unprecedented series of demonstrations of unity with the Palestinian people, there is evidence that these requirements are in the making. These class and democratic struggles can exacerbate ruling class divisions and begin to grow the political consciousness for a mass socialist movement.

We have embarked upon a period of history where the primary tasks are the prevention of a third world war, to halt climate change, to meet essential economic needs and to defend democracy. The likes of Braverman, Anderson and Shapps are representatives of the most reactionary, chauvinistic elements of the British ruling class. Defeating them, dispelling the spectres of war, poverty, climate degradation and fascism, necessitates the broadest possible unity of democratic forces. While the organised working class holds the industrial power and social compass to lead such a struggle, the democratic movement must reach out to all who have an investment in peace, sustainability and democracy.

[1] <https://www.theguardian.com/uk-news/2024/apr/22/initial-story-about-openly-jewish-incident-not-full-picture-says-ex-senior-met-officer>

[2] <https://news.sky.com/video/in-full-gideon-falter-goes-head-to-head-with-the-organiser-of-the-march-he-joined-in-london-13120795>

[3] <https://www.theguardian.com/politics/2024/feb/23/tory-mp-lee-anderson-claims-islamists-have-got-control-of-sadiq-khan>

[4] <https://www.theguardian.com/commentis-free/2024/feb/26/sunak-media-lee-anderson-sadiq-khan-no-islamist>

[5] <https://www.ft.com/content/5ce523fb-9729-476f-9635-4edab5a62a4b>

[6] <https://morningstaronline.co.uk/article/splash-democracy-risk-warns-left-after-gove-plan>

[7] <https://www.theguardian.com/commentis-free/2024/mar/13/frank-hesters-ugly-words-about-me-are-a-reminder-all-parties-including-labour-must-stand-against-racism>

[8] <https://www.mirror.co.uk/news/politics/tories-back-lee-anderson-after-30652396>

[9] [https://en.wikipedia.org/wiki/Lee\\_Anderson\\_\(British\\_politician\)](https://en.wikipedia.org/wiki/Lee_Anderson_(British_politician))

[10] <https://www.thetimes.co.uk/article/tory-party-conference-live-rishi-sunak-hs2-latest-news-b0n7kccqd7>

[11] The Dismantling Of Democracy - *The Socialist Correspondent* Monday Comment, 4/3/24

[12] <https://on.ft.com/3PnHLnR>

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# CHIPS

## The 21st century's key strategic resource

by Frieda Park

The remarkable rise of tech companies in the 21st century, tells its own story of their power and importance.

At the end of 2023 of the top ten companies in the world by market capitalisation eight were tech companies and nine of the ten were US – the only other one being the Taiwan Semiconductor Manufacturing Company (TSMC). [1] For decades US companies have dominated the top ten, but the profile of those companies has shifted over time. Ten years ago there were just three tech companies, and going back 20 years to 2003 only two.

Other sectors, like oil and finance, remain vital to capitalism's interests, but tech and control of the production of its components are now of central strategic importance to capitalism. This is reflected in the West's growing confrontation with China, the core of which is about who controls the most advanced tech.

### Technological advances

From the industrial revolution onwards, capitalism has made major advances in developing the means of production, from steam engines and electrification to, in the 20th century, the age of electronics – technologies including radio, telephony, television, lasers, radar, computers, digital cameras and mobile phones.

Computerisation and, increasingly, artificial intelligence (AI) are qualitative steps up from previous developments. They are ubiquitous



Huawei store at Beijing airport

and as essential as electrification, but with the ability not just to be applied in manufacturing, but to be used to greatly enhance processes, goods and services. This technology represents a further stage in replacing human labour with machines and it is not just robots engaging in increasingly skilled labour as AI is replacing intellectual as well as manual labour. Advanced electronics and computing power are central to making almost everything in our daily lives work from washing machines to cars. They are the principle means of communication and manage processes in work and at home. This tech is the life blood of capitalism in the 21st century, underpinning most of the world's GDP. As the figures at the start of this article show US companies and US interests dominate this technology.

The core of electronic devices and computers are microscopic transistors etched onto chips which are tiny pieces of semiconducting material such as silicon. Over the decades since they were first developed chips have become mind bogglingly complex. Even as they have become smaller and smaller, their power, importance and numbers manufactured have increased. The A14 chip which powers the iPhone 12 has 11.8 billion transistors. Sixty years ago the most advanced chip had only 4. [2] Millions of chips are produced every year.

### US military support

Although there is a romantic capitalist legend spun around tech pioneers as individual entrepreneurs forging ahead with visionary ideas, in fact public procurement and support has been vital to the chip

PHOTO BY N509FZ



That symbiotic relationship with the military continues today and is another reason the chip industry is vital to imperialism as it fights wars across the globe and prepares for war with China.

industry, coming first and foremost in the shape of the US military. The first programable computer, built in 1946, was funded by the US army to calculate firing tables for artillery use. [3] Texas Instruments' first major order for integrated circuits was for nuclear missiles. From the outset advanced tech was dependent on military orders with companies producing the chips that the military needed to make more advanced weaponry. Civilian demand only began to overtake military uses in the mid-60s and it was not until 1968 that the civilian computer industry was buying more chips than the military. [4]

In addition to contracts, the Pentagon's Defense Advanced Research Projects Agency (DARPA) directly funded research into projects benefiting the tech industry. From the Second World War onwards work began to produce accurate missiles, as against dropping lots of bombs more or less on target. Guided missiles, programmable to hit targets, were first used in the Vietnam war and by the early 1980s DARPA was funding research into the design of cruise missiles which could adjust course whilst in flight. This meant funding the development of advanced chips as well as other military systems and hardware. Subsequent wars, like Iraq, have not only been about achieving imperialism's geo-political objectives, but about testing and showcasing military hardware.

That symbiotic relationship with the military continues today and is another reason the chip industry is vital to imperialism as it fights wars across the globe and prepares for war with China. The more advanced the weapons systems then the more complex the chips that control them and the more competitors need to be excluded from developing these advanced chips.

The application of AI to warfare, where the technology itself can identifying targets and guide, for

example, drones is a recent development in military/tech collaboration and is currently being used in the war in Ukraine and in Israel's war in Gaza.

## Fabless companies

Up until the mid 1970s the companies that designed chips also manufactured them in factories known as fabs. Then things began to change. Influenced by neo-liberal imperatives like accessing cheaper labour overseas, production of chips was increasingly not only off-shored but also outsourced, with companies stopping manufacturing their own chips. The principal driver and beneficiary was the Taiwan Semiconductor Manufacturing Company (TSMC). It was founded in 1981 with financial and political support from the Taiwanese government, which wanted to promote semiconductor production. TSMC's strategy was to enter into partnerships with existing chip companies in which they would retain design but hand over production to TSMC. The first company to do this was the Dutch company Philips. The "fabless" chip company was born and from the late 1980s became a model for the industry.

A prime example of the fabless company is Nvidia. It is headquartered in Santa Clara, California and designs and supplies chips which are essential to AI systems. The growth in AI has led it to become the world's most valuable chip company. In February this year it reported a 265% increase in its quarterly revenues and predicted bigger sales to come. It is now the 3rd most valuable company listed in the US after Microsoft and Apple. [5] Its production, however, is all outsourced, with TSMC making many of its chips and other companies fulfilling roles like testing and packaging. One of the features of chip manufacture is how complex and expensive it is, requiring highly specialised equipment, controlled environments, and rigorous quality

control. In addition as chips evolve so must their expensive production processes. As a relative newcomer to the field establishing its own fabrication plants would have been technically difficult and prohibitively expensive for Nvidia. The outsourcing of chip manufacture since the 80s means that it is difficult now for companies to bring production back inhouse.

Most chip production is outsourced and East Asia manufactures almost all the world's chips. Taken together Taiwan, South Korea, Japan, China and Singapore produce 90% of all memory chips, 75% of all processor chips and 80% of silicon wafers. Over 90% of the most advanced chips are produced in Taiwan. [6] Despite the top tech companies being headquartered in the US they are reliant on TSMC, Samsung and others for chip production.

A Dutch company ASML produces 100% of extreme ultraviolet (EUV) lithography machines required to make the most advanced chips. [7] This, then, is a highly specialised and concentrated industry, with only a very small number of leading companies. Tight control over the technology is essential to advanced capitalist economies and the high degree of concentration and specialisation also make that control possible in a way that could not be achieved with previous technologies and resources. As Pat Gelsinger, CEO of Intel said, "God decided where the oil reserves are, we get to decide where the fabs are." [8]

The complexity of fabs and chips means that it is difficult for any other countries or companies to catch up with those leading the field. Only China, has the economic size and technological knowhow to have any chance of challenging them. Preventing that challenge and maintaining western control is the essential objective for the US and lies at the root of its hostility to China. But as mentioned, it no

longer has manufacturing dominance of chips, where Intel was once the leading force. However, especially since the Covid pandemic, there has developed an awareness of the fragility of global supply chains and, with strategically vital goods like chips, the potential dangers of not having control.

## US reshoring

In an attempt to address this problem, President Biden signed into law the Chips and Science Act on 9th August 2022. It provides for around \$280 billion new funding for research and production of chips to be located within the US and aims to bring 20% of the most advanced

PHOTO BY PHILARC



Nvidia chip made in Taiwan

chip production onshore by 2030. Whilst it is designed to counter Chinese progress in this area and reshore the chip industry from Asia to the US, it will also allow Intel to attempt to re-establish market share in the development and manufacturing of chips relative to other competitors. In March this year President Biden unveiled \$8.5 billion in grants and \$11 billion in loans for Intel. Under Gelsinger, who was appointed CEO in 2021, Intel has declared the aim of overtaking TSMC and Samsung in the production of chips. To this end it has cut a deal with ASML to get the first of its new generation of EUV lithography machines due in 2025, which it hopes will allow it to steal

a march on these other companies. It is also setting up its own fabs in the US and Europe.

Meanwhile the US has persuaded TSMC to invest in more advanced chip manufacturing in the US than it had previously committed to. It will now manufacture its most advanced chips in a fab it is currently building in Phoenix, Arizona due to open in 2028. It is planning another fab to be completed in 2030, also producing advanced chips. It will receive \$6.6 billion in grants and \$5 billion in loans from the US government for these projects. [9] However, production of advanced chips on US soil will not happen overnight and in the meantime companies will remain highly dependent on TSMC, which is also ramping up its production in Taiwan building "multiple" new fabs. Although chips will be produced in the US they will not be enough to meet the needs of US companies, which will still have to source large numbers of chips from Taiwan and other places. How successful Intel and the Chips Act will be in achieving their objectives remains to be seen and for the foreseeable future the US will be enmeshed with Taiwan and dependent on its chips.

## Germany

Meanwhile one glaring feature of the tech landscape is how far behind European countries are in this field. With the exception of ASML in the Netherlands there are no cutting edge tech firms based in Europe. European countries have recognised the problem, but they have a mountain to climb to try to make up ground in semi-conductor and hi-tech industries.

Germany wants to try to tackle this problem and had earmarked billions of Euros to support chip manufacture in Germany – albeit a lot of this was to attract foreign companies like TSMC and Intel with generous subsidies. The plan would also have made Germany the centre

of European chip production, however it ran into trouble as the German Constitutional Court declared the finance for it unconstitutional. The German government had tried to get round the country's stringent limits on deficit spending by creating funds which were off-budget. It was from one such fund the cash to develop the industry was to come, but the Court decided that this was a sleight of hand. [10]

The budget crisis has now passed, but it is not clear what funds will remain available to promote the chip industry, especially since the government is putting financing the war in Ukraine over other priorities. This could be another win for the US having already hamstrung Germany's energy supplies in the interests of its proxy war

more self-reliant and paradoxically can become more of a challenge to the US. Recently the *Financial Times* (11) reported that Huawei and SMIC, the country's biggest chip maker, expect to be manufacturing next generation chips for smartphones this year. Huawei will also look to produce more advanced AI chips. Whilst still lagging behind US chips, nevertheless, despite sanctions China is making progress.

Fighting to maintain its economic and military advantage over China the US is now going a step further than sanctions and talking up the possibility of war with China over Taiwan.

Even with the US reshoring some production, Taiwan and TSMC are absolutely central to the chip

wanese semiconductor industry would be viewed as a disaster by the US, so it prefers war to possible peaceful collaboration. Taiwan, therefore, remains a key flashpoint for war internationally, with access to the technology and production of chips as the driver.

Just as historically we have seen imperialist wars instigated to control land and natural resources, so now we are seeing preparations for war to control the production of chips and advanced technologies.

## China's growing economic power and its progress in advanced technology were what prompted waves of US sanctions against it, starting under Donald Trump and continued since.

with Russia, that war may also stymie Germany's ambitions to build its chip industry. This will be not only a blow to Germany but the whole of the EU.

### Taiwan flashpoint for war

China's growing economic power and its progress in advanced technology were what prompted waves of US sanctions against it, starting under Donald Trump and continued since. These sanctions were also imposed on US allies who were required to break off tech collaborations with China. Huawei was a particular target. As is often the case with US sanctions the countries targeted are incentivised to become

industry and the production of the military (and other goods) which contain those chips. It is not just the development of Chinese tech industries and China's growing economic power that are perceived as a threat by the US, but also its future relationship to Taiwan. Taiwan and China, by international agreement, are recognised as one country and China has long called for reunification. Whilst recently there have been pro-US governments elected in Taiwan there is also substantial support within the country for better relations with China. The US has a lot to fear from the two growing closer and peaceful relations being established. Anything which allowed Chinese access to the Tai-

[1] List of public corporations by market capitalization - Wikipedia

[2] Chip war – Chris Miller, Simon and Shuster 2023

[3] The rise of the robots – Martin Ford, Oneworld 2015

[4] Chip war – Chris Miller, Simon and Shuster 2023

[5] Nvidia sales surge on AI 'tipping point' (ft.com)

[6] Chip war – Chris Miller, Simon and Shuster 2023

[7] Ibid

[8] Ibid

[9] TSMC boosts Joe Biden's AI chip ambitions with \$11.6bn US production deal (ft.com)

[10] Germany's budget crisis threatens chip-making ambitions (ft.com)

[11] China on cusp of next-generation chip production despite US curbs (ft.com)



# The Soviet model and the economic Cold War

## A refutation of the case against socialism – Part 1

by Noah Tucker

The most devastating rebuttal of socialism - eclipsing all the evils of the capitalist system, and banishing the conception of a better world to the realm of wishful thinking - is that it just doesn't work; for which the prime evidence is the (alleged) dismal performance of the USSR's economic model of state ownership and planning. Remarkably, the generally accepted accounts of the 20th century socialist economies are based on 'free market' theories, which are proven false in their claims about capitalism by our 21st century experience.

### Capitalism versus socialism

Around us are the fruits of our Western economic model, honed by the privatisations and market reforms recommended by anti-socialist theorists: from the lack of any impetus from our market economy to forestall the climate catastrophe, to decaying infrastructure and living standards in the system's own most developed heartlands, to the grinding down of productivity growth to almost zero in major Western economies. And now the latter, even when faced with the alleged existential threat of Russia, with its much smaller military budget, cannot match the output of Russia's munitions industry. Since the catastrophic 1990s, Russia rebuilt this sector using centralised control and state ownership [1], whereas NATO's counterparts, as recently remarked in *The Guardian*, "run lean operations... and are designed to maximise profit for shareholders." [2]

Under advanced liberal capitalism, with pluralist democracy and

the 'rule of law' providing supposedly the perfect environment for it to flourish, the private enterprise system's only recent economic success is that of making rich people richer. Yet the notion persists, even among those critical of capitalism's outcomes, that it is socialism which doesn't work. Branko Milanović, former Chief Economist at the World Bank, wrote in 2019:



Mikhail Gorbachev abandoned socialist planning

"[F]ollowing the Russian Revolution in 1917, capitalism shared the world with communism, which reigned in countries that together contained about one-third of the human population. Now, however, capitalism is the sole remaining mode of production...[T]he ineluctable truth is that capitalism is here to stay and has no competitor. Societies around the world have embraced the competitive and acquisitive spirit hardwired into capitalism, without which incomes decline, poverty increases, and technological progress slows." [3]

This charge cannot be brushed aside, nor can its prime exhibit, the supposedly dreadful economic record of the Soviet Union and allied countries. If public ownership and state management tend intrinsically to inefficiency and stagnation, are we not limited to some light touch regulation and redistribution, with some incentives to moderate our rush towards environmental calamity, while allowing the market the scope to 'create wealth'? But that is indeed what we already have as the basis of policy in most Western countries.

### Real socialism

Nor is this accusation deflected by saying of the Soviet experience, "that wasn't really socialism" or "that was the wrong kind of socialism". To such arguments, Milanović responded,

"There is no doubt that its essential characteristics, non-private ownership of the means of production and centralisation of economic decisions, were fully in accord with traditional, including Marx's, conceptions of socialism. Furthermore, we do not deny that today's capitalism is 'capitalism' even if some libertarians or even Friedmanites might not think so because of (say) too strong role of the state, existence of trade unions or high taxes. Such absolutely 'pure' theoretical constructs, whether we speak of capitalism, socialism or feudalism have never existed... 'really existing socialism' was indeed socialism." [4]

Further, these were the societies created in places, from Russia, China, Vietnam, Central Asia and Central Europe to Cuba, where the people who espoused communist and socialist views found themselves in

PHOTO BY RIA NOVOSTI



Ludwig von Mises founder of the Austrian School

a position to build a new system. Why should a repudiation of the economies that followed - accompanied by promises that a future ideal socialism would differ in ways that would solve the alleged intractable inefficiencies of all previously existing socialised systems - be taken at face value?

Was 20th century socialism really such an economic failure? Despite the imposition against it of wide-ranging sanctions by the USA and its allies, and the diversion of economic resources to balance the military forces of the capitalist world, the USSR outpaced the Western bloc in GDP growth over the period of the 'Soviet planning model'. [5] There is evidence also of innovation, efficiency, and meeting consumer needs - everything that socialised economies are supposedly unable to do.

## Technology and growth

But what is economic growth? Of basic importance is the inextricable connection between long term economic growth and improvements in production technology. A Harvard course introduction summarises,

"[T]echnology is the key driver of economic growth of countries, regions and cities. Technological progress allows for the more efficient production of more and better goods and services, which is what prosperity depends on." [6]

If we put aside such factors as an increase in the size or the working hours of the workforce, discovery of natural resources, appropriation through financial structures, the ups and downs of capitalist booms and crises, currency markets, pandemics etc then:

- long term economic growth essentially is the introduction and use of improved production technology
- the gap between the rich developed countries and the poorer countries essentially is the gap in the level of production technology in general use in those countries.

Technology, in this context, means not only the machinery and processes used in producing goods and services, but the knowledge used to advance the process of production, embodied in production equipment, or in 'know-how', for instance in

understanding how to design or use such equipment. Technology can be developed in institutes but also arises from the day-to-day experience gained in advanced production processes. It can be held or transferred, in the form of designs, patents, technology licenses, etc. Thus, a US government subcommittee, reporting on measures taken to prevent the USSR from gaining access to production methods used by Western civilian aircraft manufacturing corporations, explained:

"The critical technology related to commercial aircraft and jet engines lies in the design, materials, and manufacturing processes, not in the end products...This know-how consists of various techniques for design integration, materials selection and processing, and manufacturing and assembly procedures critical for production. The product that results is not in itself critical technology but the result of a combination of processes constituting the know-how of the end product's manufacturer." [7]

## Western dominance

The advancement of production technology is a global phenomenon. Research and discovery thrive on interaction with the most advanced in the field. The advances which eventually made Western Europe and the USA the centres of the industrial revolution of the 19th century followed the gradual accumulation through trade, exploration, and military subjugation, of theoretical and practical discoveries from elsewhere (to say nothing of the transfer of physical wealth via the slave trade, the robbery of gold and other resources). Decimal numbers and algebra, block and movable-type printing, gunpowder, the magnetic compass, the use of coal to smelt iron, the spinning machine - these indispensable precursors of Western technology were not Western inventions. Even today, US public and private sector R&D thrives on the

The advances which eventually made Western Europe and the USA the centres of the industrial revolution of the 19th century followed the gradual accumulation through trade, exploration, and military subjugation, of theoretical and practical discoveries from elsewhere (to say nothing of the transfer of physical wealth via the slave trade, the robbery of gold and other resources).

input of highly skilled researchers recruited from all over the world. This global contribution to the economic supremacy of the West is repaid mainly by further subjugation and underdevelopment, extensively through the US and Western hoarding of technology, or the disbursement of technological crumbs at high prices and with conditions attached. As a Princeton University research paper confirms, "Research and development efforts are concentrated in a relatively small number of highly developed countries, which means that most countries most of the time rely on adopting technology from abroad."

Even for the OECD countries, most new technologies are not internally developed. Foreign sources account for 90% or more of technology-based productivity growth for most countries. Further, "[T]he market for new technologies is plagued by problems... Firms try to monopolize the benefits of a technological advantage by keeping new technology secret... A range of empirical evidence indicates that international technology transfers carry significant resource costs..." [8]

### Restricting the Soviet Union

Whatever its economic system, and even were the Soviet Union not emerging from a position of backwardness, it would still have been highly reliant on importing technology from abroad, and would thus have been vulnerable to the long term impact of technology sanctions. The nascent USSR's emergence from the underdevelopment of the Tsarist Empire was hampered by the civil war and foreign invasions that followed the Bolshevik revolution. By the late 1920s it had recovered sufficiently to begin a programme of industrialisation, mapped out through its economic planning agency. Importing machinery and technical expertise from the US and Western Europe, it adapted and learned from more advanced

production methods in building up the new socialist industries. The effectiveness of this programme became apparent to Western leaders when, after being invaded by Nazi Germany, the most industrially advanced country in Europe (and which had the resources of most of the continent at its disposal), the production capacity of the Soviet Union was revealed through its success in taking on and defeating the aggressor.

The USA rewarded its erstwhile wartime partner by subjecting it to a state of technological siege. As a US Congress report recounts, "... by 1947, some U.S. policymakers had begun to argue that the United States should restrict its trade with the Soviet Union because U.S. technology might contribute to the development of the Soviet economy and thus improve the country's military capacity."

To coordinate and enforce these restrictions, an international body was established, "...the Coordinating Committee for Multilateral Export Controls (CoCom), an exclusive, informal organization, whose operations were largely hidden from public view, where members of the North Atlantic Treaty Organization (NATO) and other aligned states coordinated controls on exports to the Soviet Union and its close allies." The objectives of the USA's controls, as the report notes, encompassed, "...prevent[ing] certain foreign states... from acquiring certain goods (and technology, including, importantly, design and manufacturing 'know-how')... For example, [by the] attempt to... block foreign states from acquiring materials to build oil pipelines... prevent[ing] foreign industries from acquiring machines or software for producing advanced semiconductors..." [9]

The severity of these restrictions varied with levels of international tension. Détente in the 1960s to mid '70s allowed some significant



technology exports where companies or countries could show that the Soviet Union could derive no conceivable 'dual use' capability from the transfer. These included Soviet purchases of nitrate processing equipment, and the contract with Fiat to help set up the VAZ car factory. Overall, however, the CoCom controls had the cumulative effect of isolating production in the USSR from cutting edge industrial technology.

Would any honest enquirer dream of examining the problems and progress of economic development in Cuba, Venezuela or Iran without looking at the impact of the US-imposed sanctions on those countries? Western journals are gleefully reporting on the impacts of the USA's current technology sanctions on China, although they have only been imposed relatively recently, and although China had already caught up with the USA in purchasing power parity GDP - although not of course in per capita production.

## Origins of TINA

In the case of the Soviet Union, however, the usual narratives regarding its economic development and its eventual slowdown pay no attention whatsoever to this factor. Instead, the anti-socialist economic theories which provided the intellectual *raison d'être* for neoliberalism are brought into play. The core of socialism's alleged unviability was set out by the influential 19th century philosopher Herbert Spencer. It was he whose remarks were paraphrased by Margaret Thatcher into her notorious catchphrases 'There is no alternative' (to free market capitalism) and 'There is no such thing as society'.

In Spencer's philosophy, unfettered capitalism was useful in weeding out those who, he believed, are "worst fitted for existence" (thus he opposed regulation of food and medicines, reasoning that the elimination of people who con-



sumed poisonous products was a boon in terms of "survival of the fittest"). Universal suffrage and literacy having curtailed some of the former brutal honesty in pro-capitalist arguments, these views are nowadays something of an embarrassment. Spencer's perspective later became the basis of the Austrian School of radical pro-capitalist economics, holding *laissez faire* capitalism to be the natural order - whereas socialism would be artificial, imposing a stultifying bureaucracy instead of the spontaneous market. Socialism and communism cannot work, because they run counter to man's "divinely ordained" desire for "personal acquisition", which "presupposes a right of private property". [10] Therefore, as Ludwig von Mises, the founder of the Austrian School, asserted:

"The situation is completely transformed when an undertaking is nationalised. The motive force disappears with the exclusion of the material interests of private individuals...it is now generally recognised that there is no internal pressure to reform and improvement of production in socialist undertakings, that they cannot be

adjusted to the changing conditions of demand, and that in a word they are a dead limb in the economic organism." [11]

## Prices, knowledge and nonsense

The Austrian School economists of the 20th century added two technical weapons to the armoury of anti-socialist theory. One, the so-called 'calculation problem', was devised by Mises. This is the proposition that, due to the lack of a market involving private ownership of the means of production (e.g. land, machines and raw materials), a socialist economy cannot arrive at correct prices, thus, rational choices would be impossible under socialism. Rejecting any objective basis underlying prices, Mises asserted that free market prices are correct by definition, as they result from the compilation, via the market, of individual subjective preferences. The claim that capitalist prices are necessarily superior to a socialist calculation of costs, which could be based on such factors as the hours of differently qualified labour involved, utilisation of raw materials of varying availability, environmental impact etc, is surely disputable.

PHOTO LUKASZKATLEWA

Certainly, the volatility and levels of prices under 21st century capitalism for such items as housing and energy, or for treatment in the US health sector, are hardly straightforward evidence for the rationality of prices under capitalism.

The second anti-socialist theoretical innovation was Friedrich von Hayek's so called 'knowledge problem', also known as the 'information problem'.

"For Hayek, the ultimate flaw of socialism is the fact that knowledge, in particular 'the knowledge of the particular circumstances of time and place,' exists only in a widely dispersed form as the personal possession of various individuals; hence, it is practically impossible to assemble and process all the actually existing knowledge within the mind of a single socialist central planner." [12]

The fatal conundrum of this argument is pointed out by another market fundamentalist economist, Hans-Hermann Hoppe, who writes of Hayek's theory:

"[T]his is surely an absurd thesis. First, if the centralized use of knowledge is the problem, then it is difficult to explain why there are families, clubs, and firms, or why they do not face the very same problems as socialism. Families and firms also involve central planning. The family head and the owner of the firm also make plans which bind the use other people can make of their private knowledge... Every human organization, composed as it is of distinct individuals, constantly and unavoidably makes use of decentralized knowledge. In socialism, decentralized knowledge is utilized no less than in private firms or households. As in a firm, a central plan exists under socialism; and within the constraints of this plan, the socialist workers and the firm's employees utilize their own decentralized knowledge of circumstances of time and place to implement and execute

the plan... within Hayek's analytical framework, no difference between socialism and a private corporation exists. Hence, there can also be no more wrong with the former than with the latter."

From which Professor Hoppe concludes decisively: "Clearly, Hayek's thesis regarding the central problem of socialism is nonsensical." [13]

## Planned economy

Hayek's theory is sometimes presented as being compatible with a planned economy performing strongly initially, but inevitably grinding to a halt as the range of economic processes increases, overwhelming the capacity of planners to deal with all the information.

However, this variant suffers from its own fatal flaw: it ignores the fact that, as the economy of a country (or a firm) becomes more complex, so does the technical means for planners to integrate and process the information. As an agency with relevant influence, it would have been odd if Gosplan (the USSR's central planning committee) had not succeeded in acquiring computers for its own use when they became available in the Soviet Union, and ensuring its own priority in receiving advanced equipment. Indeed, as Russian researchers recorded,

"[I]n October 1959 the USSR Council of Ministers issued a decree on the creation of a computer center of the USSR State Planning Committee (Gosplan of the USSR) for providing calculations of the economy and planning. This computer center... existed for over 30 years, until the collapse of the Soviet Union in 1991. It was the largest civil computer center in the USSR with the advanced powerful computers (for its time) to solve a variety of planning and economic management tasks. More than 1200 specialists worked in it." [14]

Despite such glaring issues, even left commentators regurgitate concepts from radical pro-market theory to evaluate the Soviet experience. Ben Burgis of *Jacobin* magazine, for example, routinely assumes that 'information problems' were central to the 'failure' of central planning in the USSR; and he remarks, "It's easy to see why von Mises's ideological successors believe that the economic experience of the Soviet Union and similar nations vindicated their side of this 'socialist calculation debate'. And the painful truth is that, at least to some extent, it does." [15]

## Socialism successful

But these ideological conceptions just do not fit the actual performance of 20th century socialism. Confounding depictions of the Soviet model as 'inefficient', research by Professor Peter Murrell showed that, for a given level of technology, the socialist planned economies performed as well as or better than capitalist economies. [16] As one summary of Murrell's paper related:

"First he reviewed eighteen studies of technical efficiency: the degree to which a firm produces at its own maximum technological level. Matching studies of centrally planned firms with studies that examined capitalist firms using the same methodologies, he compared the results. One paper, for example, found a 90% level of technical efficiency in capitalist firms; another using the same method found a 93% level in Soviet firms. The results continued in the same way: 84% versus 86%, 87% versus 95%, and so on. Then Murrell examined studies of allocative efficiency: the degree to which inputs are allocated among firms in a way that maximizes total output. One paper found that a fully optimal reallocation of inputs would increase total Soviet output by only 3%-4%. Another found that raising Soviet efficiency to US standards would increase its GNP by all of 2%. A

third produced a range of estimates as low as 1.5%..." [17]

Soviet industrial development was also dynamic. A Rand study noted: "The annual average growth rate of Soviet GNP since 1928 [until 1985] is 4.2 percent. This clearly qualifies as a sustained growth record." [18] Even under technology sanctions, the USSR and allied socialist countries continued for over two decades to develop faster than either the advanced capitalist powers or the capitalist developing countries. According to UN estimates, the average yearly economic growth rate for the USSR and allies was 6.7% from 1961 to 1970, with industrial production increasing annually at 8.3%. [19]

It is often conceded that under socialism, there were major improvements in human welfare, including in health and educational provision in the 1950s, '60s and '70s. Moreover, huge advancements in infrastructure and housing are undeniable - illustrated tragically in footage from Ukraine, showing destroyed power stations, dams, bridges, residential and public buildings, all constructed during the Soviet period.

Depictions of socialist economies as rigid and unresponsive to consumer needs are also belied by the factual record. The 1960s and '70s saw massive upgrading of sectors involved in producing for consumers in the Soviet Union, resulting in changes ranging from major increases in the protein content of people's meals, to refrigerators and TV sets becoming standard household items. [20]

Nevertheless, by the 1970s, the technological isolation imposed on the socialist bloc, together with the diversion of resources into the arms race, was beginning to take its economic toll, the political fallout from which would lead eventually to the accession of Gorbachev and the catastrophic results of his

abandonment of the Soviet planning model.

The experiences of Soviet economic development do indeed illustrate very significant issues with which any serious socialist strategy must ultimately contend. For example, the huge importance of international technology transfers in economic development, as well as the might deployed by the USA in exercising technological blackmail to maintain its domination. But they also reveal another power - the potential of social ownership and planning to build and produce for human needs.

*Part 2 of this article will cover: how the 5 year plans brought prosperity to the people; myth-busting - heavy versus light industry, total factor productivity, chip war round one and market socialism; the economic paradox of peaceful coexistence; chip war round two and China's challenge to US economic blackmail.*

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# ARGENTINA'S SHOCK THERAPY

by Dan Morgan

Cry for Argentina! Javier Milei was elected President with 56% of the votes in the run-off. He wants to drastically shrink the state and demolish all the hard-won social gains made in the last 150 years. He is an 'anarcho-capitalist', a libertarian. His catchphrase is "Viva la libertad, mierda!" (Long live freedom, shit!). That over-used word, freedom. His freedom is freedom for capitalists to exploit with no protection for workers; freedom for supermarkets from price controls; freedom to sell your organs and use whatever drugs; but the end of free education and healthcare. Privatisation of the remaining public enterprises is also planned.

## Milei's policies

Milei's first act was to abolish 13 ministries, as promised. His cabinet consists of 11 ministers. All other former ministries are now 'secretariats'. Maybe there's not too much in a name change, but now 15,000 civil servants have been sacked – all those without permanent contracts. Many more redundancies will come as he develops his aim of demolishing the state, as shown by him brandishing a chainsaw in his campaign. First body to go was the state press service.

His shock therapy began with a "Necessary and Urgent Decree" (DNU). This Decree at a stroke made important changes: an end to food price controls and rent controls, and the first steps to privatisations and changing labour laws. Supermarket prices shot up at once, as controls ended. So annual inflation reached 288% in March, up from

211% in December. An omnibus bill was presented to Congress, with 533 sections. It faces a lot of opposition there, so it was whittled down from 533 to 394 sections but it still faces stiff opposition. Argentina is also a federation, provincial governors are important as well, and they will negotiate to block some of the proposed measures or approve them in return for aid to their provinces.

There has already been a one-day general strike, and occupations of ministries by civil servants. Massive demonstrations take place, we will see if they become strong enough to force Milei out.

The president also directs foreign policy of course, so Milei scrapped entry into the BRICS bloc. This will not help the country's economy. Before election he ranted about not trading with communist China but in reality that would about destroy the economy, it will not happen. The CIA Director has visited, and also the head of the US military Southern Command. Argentina will have US bases, an ominous move. Milei is a firm supporter of Zelensky and Netanyahu. Now (late April) the government has started provocations against Chile and Bolivia about supposed cells of Hizbollah! Any pretext that serves to raise nationalist feelings and spoil moves towards South American integration.

## How did we get here?

After independence from Spain in 1815, Argentina became a British neocolony, before the word was coined. It produced huge amounts of beef and wheat for Britain and Europe before the 'Common Market', now the EU, imposed tariffs. But there was also growth in industry, in part to process agricultural products. Many beef cattle have now been replaced by soya beans, exported to feed European pigs and chickens.

Argentina was always different from other Latin American countries; the most developed, best educated,



PHOTO BY HAIM ZACH

*President of Argentina, Javier Milei (left) visits Israel, February 2024*

along with its neighbour Uruguay. [1] Argentina had a large organised working class and strong trade unions.

Since the 80s, neoliberal policies have meant privatisations and the closure of a lot of industry. Figure 1 (P36) shows how industrial production grew, given the usual capitalist recessions and recoveries, until about 1975. It stopped under the brutal dictatorship of 1976-83. The 1976 coup was preceded by a period of instability. Two major petty-bourgeois guerrilla groups (mainly urban) were active, with kidnappings and armed assaults on property. So the coup at first had fairly wide support. The brutal suppression of the guerrillas, with an estimated 30,000 disappeared, changed that. The military also suppressed workers' rights and embarked on the recovery of the Falkland Islands – the Malvinas – with tragic results. Industry declined. The dictatorship ended in 1983 and, unlike Chile and other countries, the military leaders were later brought to justice and served time in prison.

Industry declined sharply under President Menem – 1989-1999. Unemployment, precarious work and poverty followed. Economic crisis caused massive popular protests in 2001. There was repression and several deaths. A series of presidents led finally to the emergence of Nestor Kirchner, an unknown Peronist. He stabilised the economy and turned out to be anti-imperial-

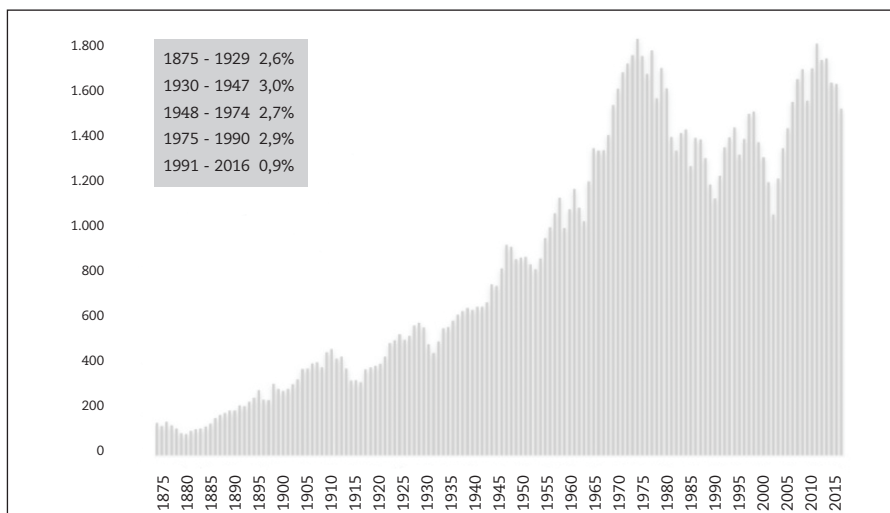


Figure 1 Argentina: Industrial Production per Capita 1875 to 2015 adjusted for inflation

ist, anti-neoliberal, and was very popular. As President from 2003 to 2007 he worked with Hugo Chavez in Venezuela and others to develop UNASUR, an organisation for the integration of South America. His early death from cancer in 2010 was a heavy blow (as was Chavez's in 2013).

## Peronism

Juan Domingo Perón was a colonel, a government minister in World War 2 and then elected President in 1946. He admired Mussolini and helped Nazis escape to Argentina after the war, along with their gold. But he was a reformist and at first he improved workers' rights and nationalised industry. Even although he moved to the right, he was overthrown in a military coup in 1954. But he was still idolised by most of the working class and his legacy bedevils Argentinian politics, and the organised working class especially.

The Peronist party is really a movement with many factions, ranging from most of the left to centrists and rightwingers. After Nestor Kirchner, an unexpected left wing Peronist, his wife Cristina Fernandez was President. She was neither as left wing or competent and was also charged with corruption – a 'normal' feature of Argentinian politics. A worsening economic situation meant she

was followed by the disastrous rule of the corrupt businessman Mauricio Macri (2015-2019). His abysmal period in office ended with a huge, unprecedented debt to the IMF and he was the first incumbent in history to be defeated for re-election.

The president before Milei was Alberto Fernandez. He was a Peronist but a centrist who increased the debt to the IMF (instead of taking credit that China offered). The dismal failure of his government to control inflation and grow the economy led to the election of Milei. In 2023 inflation was 211% and poverty rose to 42% of the population. On top of the incompetence of Fernandez, Milei faced an unattractive opponent in the election in Sergio Massa. He was in Kirchner's cabinet but left to support the right-wing opposition. He promised he would stop inflation but had been the economics minister for a year, when inflation was out of control! So, a centrist Peronist, he was unimpressive and even shifty looking in the presidential TV debates. He is part of what Milei calls 'the political caste', traditionally corrupt politicians.

So in short this was the usual story of a centrist, although supposedly progressive, government not solving the problems of capitalism, and being followed by a right-wing one. In this case, an extreme, virtually deranged president.

## Can Milei be stopped?

A major problem in Argentina is the traditional capture of the organised working class by Peronism, without a clear ideology or even political line. The trade unions are strong but led by corrupt Peronists. The communist party exists but its influence is not strong. The Trotskyist left is visible on the streets and their candidate got 2.7% in the first round of the election. Of course, they will not help in creating a broad left alliance. Peronism is already very divided. The Peronist left is not clearly visible enough at the moment, although a decent Peronist left-winger, Juan Grabois, stood in the primary last year and got 21% versus 79% for Massa.

Can Milei be stopped? His demagogic attacks on 'the political caste' now look hypocritical as several of his ministers were in Macri's cabinet. But they will support his drive for deregulation, privatisation and shrinking of the state. Destruction of labour rights, and all social rights are key to his programme.

The economy was already in crisis but was not disastrously so. The first effects of the shock therapy are further driving down living standards, and that will continue. Only massive opposition can stop this, and the pressing need is for organisation of this mass resistance.

[1] A brief look at the country: It is huge. On maps it looks smaller than it should because of the gross distortions of the Mercator projection, and because it is next to Brazil which is the fourth largest country in the world, bigger than the USA. Argentina is the eighth. It stretches from the Andes mountain range in the west to the Atlantic in the east, and sweltering tropics in the north to freezing Tierra del Fuego in the south. It is flat, with enormous areas of agricultural land. As in most poorer and unequal countries, the capital Buenos Aires has a large proportion of the population.