

The EU, Brexit and class politics

Which way now for
the labour movement?

Robert Griffiths



£2



Join the Communist Party, the party of working class power and liberation

February 2018

© Communist Party
Ruskin House,
23 Coombe Road,
Croydon,
London CR0 1BD

Reproduction of this text is
permitted
in part or full providing the source
is acknowledged

email: office@communist-party.org.uk
phone: 020 8686 1659
www.communist-party.org.uk

Front cover:
Banksy anti-EU mural, Dover, 2015

Robert Griffiths is general secretary
of the Communist Party and chair
of LEXIT: the Left Leave Campaign
which published the first edition of
this pamphlet.



I want to join the Communist Party/Young Communists

name _____

address _____

post code _____

age if under 28 email

return to Communist Party Ruskin House 23 Coombe Road Croydon
CR0 1BD e mail office@communist-party.org.uk or call 02086861659

The EU, Brexit and class politics

Which way now for the labour movement?

NEW UPDATED EDITION

CONTENTS

- 2 Cold War origins of the European Union
- 3 Britain's membership of the European Communities
- 5 A tale of EU treaties
- 7 The class character of the EU
- 10 Financial crisis and the 'Troika'
- 11 Britain's referendum campaign
- 14 The ruling class reorientates
- 15 Fear of a 'hard Brexit'
- 16 What kind of 'soft Brexit'?
- 18 Labour's missed opportunities
- 22 Phase One: going or staying?
- 24 Phase Two prospects
- 26 Two 'Brexit' options from the right
- 27 A 'people's exit' from the left

Cold War origins of the European Union

Until the mid-1980s, most of the labour movement and the left in Britain was opposed to membership of the European Economic Community (EEC) or ‘Common Market’, the forerunner of the European Union (EU). The left saw the EEC as anti-democratic, anti-working class and designed to serve the interests of big business and block the road to socialism.

The analysis of most of the Labour left, major trade unions and the Communist Party was that the EEC arose as an anti-socialist project at the outset of the Cold War in the latter half of the 1940s.

The earliest component of the EU—the European Coal and Steel Community (ECSC)—was established in 1951. Its purpose was to coordinate the revival of the pre-war industrial monopolies of France, Germany, Belgium and Luxembourg across a captive internal market behind high tariff walls. In time, these giant corporations would be able once again to compete against the US coal and steel monopolies.

But it’s often forgotten today that the ECSC was primarily intended to build and strengthen the economic basis for a capitalist United States of Europe with its own political and military dimensions; a union to stem the advance of socialism and the left not only in eastern Europe, but in western Europe also, where communist parties had emerged from the Second World War immensely strengthened by their role in the anti-fascist resistance in France, Belgium, the Netherlands, Luxembourg and Italy.

Lenin had foreseen this possibility in the middle of the 1914-18 imperialist war. He also saw the contradiction at the core of such a project. The capitalist monopolies of each country exercise political power through their own national or—in the case of Britain—multinational state. State power serves the common interests of these monopoly corporations, not least in competition against the capitalists and states of other countries.

However, while this contradiction cannot be abolished, it can be curbed where the capitalist classes of rival imperialist powers share a common goal. As Lenin put it in his article ‘On the Slogan for a United States of Europe’ (1915):

From the standpoint of the economic conditions of imperialism—i.e., the export of capital and the division of the world by the ‘advanced’ and ‘civilised’ colonial powers—a United States of Europe, under capitalism, is either impossible or reactionary ... Of course, *temporary* agreements are possible between capitalists and between states. In this sense a United States of Europe is possible as an agreement between the *European* capitalists, but to what end? Only for the purpose of jointly suppressing socialism in Europe, of jointly protecting colonial booty against Japan and America.

Even before the ECSC, most of its founding member states (except West Germany) had launched NATO under US domination in 1949. Soon afterwards, right-wing French politicians floated proposals to form a European Defence Community. Accordingly, the six ECSC states including West Germany signed the Treaty of Paris in 1952. The same countries drew up plans for a European Political Community. But French Communist and Gaullist deputies rejected the European Defence Community

treaty in August 1954 and the Political Community project collapsed soon after.

West Germany was rearmed and admitted to NATO in 1955, which provoked the Soviet Union and its European allies to form the Warsaw Pact.

After the defeat of their plans for Western European military and political union in 1954, right-wing and social democratic parties decided to concentrate on creating a wider European Economic Community (EEC). But they never gave up the original, grander project of building a capitalist and militarist United States of Europe.

The EEC was founded in 1957 by the Treaty of Rome, with its fundamentalist principles demanding the ‘free movement’ of capital, goods and services and labour across a common European market. High tariff walls would limit imports into the Common Market from rival economies, except for selective foods and raw materials from former European colonies and semi-colonies.

At the same time in 1957, the ECSC and EEC states set up the European Atomic Energy Community (‘Euratom’) to develop nuclear power. Although this was claimed to be an exercise in producing cleaner, safer and cheaper energy for civilian purposes, we now know that it was primarily to produce enriched uranium and plutonium for nuclear weapons.

These three bodies were brought closer together as the European Communities (EC) in 1965.

Britain’s membership of the European Communities

Edward Heath’s Tory government took Britain into the EC in 1973 without a referendum (unlike Ireland and Denmark—or Norway which rejected EC membership). The Labour Party along with most trade unions opposed Britain joining, which is why Harold Wilson’s Labour government won two elections in 1974 on manifesto promises to renegotiate EC membership and put the question to the people to decide.

In the 1975 referendum campaign, the TUC, most trade unions, the Labour left and the Communist Party urged electors to reject the EC as a ‘bosses club’. For Plaid Cymru and the SNP, in particular, the EC was an undemocratic centralist apparatus in which Wales and Scotland would be marginalised. Wilson and most of his Cabinet joined the Tories, Liberals, big business and the right-wing press to campaign for a vote to stay in, which they won.

Over the next ten years, many of the fears about EC membership materialised. Unrestricted imports played a major part in undermining manufacturing industry and jobs, while the lifting of capital controls by Margaret Thatcher’s government in 1979 worsened the crisis of domestic underinvestment.

Overall, between 1973 and 2007 (on the eve of the crash and recession), manufacturing’s share of Britain’s economic output almost halved to 19% at constant prices (or to just 12% if extra inflation in the services sector is taken into account). The number of manufacturing jobs fell from 7.4m to 3m. This was by far the steepest decline of all the G7 capitalist economies. After running a trade surplus through most of the 1950s and 1960s, Britain’s trade deficit with the rest of Europe has widened since joining the EC from £2bn in 1974 to £82bn in 2016.

Britain’s most effective regional policies, which restricted industrial and office development in more prosperous areas and directed capital to more distressed ones,

were dismantled in compliance with EC ‘free movement’ principles.

Britain’s system of agricultural support introduced by the post-war Labour government and based on production and investment grants was scrapped, impoverishing many small farmers and their local communities. Instead, the EC Common Agricultural Policy bought ‘surplus’ farm produce and stockpiled or destroyed it, which together with high tariffs against Commonwealth imports meant higher prices in the shops.

Meanwhile, agricultural and mineral imports from British and other European colonies in Africa, the Caribbean and the Pacific were given preferential access, maintaining their subservient role as super-exploited primary producers, while manufactured goods from developing countries have been kept out.

The EU Commission and the European Court of Justice (ECJ) even brought about the Tory government’s dissolution of the Milk Marketing Board in 1994, leaving dairy farmers and consumers at the mercy of the supermarket giants.

Adopting Value Added Tax (VAT) was another condition of joining the EC. Consumer prices rose as VAT was extended across goods and services and the VAT rates were increased.

Unsurprisingly then, public support in Britain for EC membership decreased in the years after entry in 1973. However, paradoxically, opposition to it within the British labour movement crumbled from the mid-1980s.

This about-turn occurred in the context of defeat, retreat and demoralisation as Thatcher’s Tories won the 1979, 1983 and 1987 General Elections, privatised the utilities, cut taxes for the rich and big business, overcame strikes by steelworkers, miners, teachers and printworkers and introduced a barrage of anti-trade union laws.

It was argued by media and election commentators—and even by some hitherto left-wing intellectuals—that there would never again be a majority Labour government in Britain. It was impossible—or so they claimed—not only politically, but arithmetically as well. So-called ‘Thatcherism’ was all but invincible and, we were told, could only be challenged by an electoral alliance between Labour and the staunchly pro-EC Liberals and Social Democratic Party (a pro-EC, pro-NATO and anti-socialist breakaway from the Labour Party in 1981).

While many trade union leaders and activists rejected any such electoral alliance, they began to look to the EC and its ‘Social Europe’ perspective as the only possible, progressive alternative to Tory rule. European Commission president Jacques Delors (originally a right-wing Socialist Party politician in France) told delegates at the 1988 TUC conference in Bournemouth that Britain’s trade unions had a firm ally in the EC and its European Commission.

Most unions fell for Delors’ blandishments, even though his promised ‘Social Europe’ dimension to a European ‘Single Market’ wasn’t worth the paper it wasn’t written on. Local government workers union NALGO, the Transport & General Workers Union and some smaller unions remained sceptical, but they were unable to stop the TUC and the Labour Party from embracing the EU (as the EC later became in 1993).

Yet even before the British labour movement’s conversion in 1988, the capitalist class character of the EU was becoming clearer.

This is why Prime Minister Thatcher had championed the Single European Act

(SEA) in 1986, which set out the concrete steps towards Economic and Monetary Union (EMU), a European single internal market and the development of an EU common foreign policy. The SEA also ended the right of veto by member states in some areas of EU decision-making, while promising policies to promote regional development, the environment and health and safety at work.

While Thatcher understood that any so-called ‘Social Europe’ would deliver very little for workers and their families, she regarded even the most minor social concessions as undesirable and unnecessary. Unlike many conservative and Christian Democrat politicians in France, Germany and Italy, her approach to labour relations, trade unionism and social policy was one of class confrontation rather than class collaboration.

At the same time, she failed to appreciate the full implications for Britain’s sovereignty of centralised EU decision-making and the SEA’s commitment to ‘ever closer union’. Only as the Delors agenda for a United States of Europe became clearer did she voice her concerns, in Bruges a few weeks after his appearance at the TUC and in her ‘No! no! no!’ Commons speech in October 1990. Within weeks of the latter, she was pushed out of Ten Downing Street at the insistence of pro-EU Tory rivals and pro-EU Tory business donors.

They believed that the kind of European Union envisaged under the SEA could resolve the main contradiction thrown up by universal suffrage—that between democracy and monopoly capitalism. The mass of working class electors might vote for radical reforms to capitalism—perhaps even for socialism.

The EU ‘solution’ is to transfer economic, financial and social policy-making powers upwards, from democratically elected national parliaments and governments to the EU level. There, the unelected European Commission can draft and police policies enforced by the EU Court of Justice and enshrined in EU treaties and directives. The largely powerless European Parliament, made up of MEPs representing vast constituencies with no organic link to the electors, lends a bogus ‘democratic’ gloss to these arrangements.

In 1990, supported by pro-EU Labour MPs, Tory prime minister John Major took Britain into the European Exchange Rate Mechanism (ERM), as a step towards EMU. This tied an over-valued pound to the deutschmark, forcing up British interest rates and export prices and destroying a million manufacturing jobs as a result. Only after Britain crashed out of the ERM on ‘Black Wednesday’ in 1992 could interest rates fall, sterling be devalued and an economic recovery begin.

It was at this point, after pro-EU billionaire George Soros and other currency speculators had exposed her folly, that Thatcher turned against the whole EU project. She feared a loss of British sovereignty and of British imperialism’s ‘special relationship’ with US imperialism, which alone can militarily protect British capitalism’s worldwide interests.

A tale of EU treaties

The 1992 Maastricht Treaty deepened Tory concerns, even though Major had secured British opt-outs from monetary union and its feeble ‘Social Chapter’. The treaty committed EU member states not only to EMU and a single European currency (the ‘euro’), but also to tight monetarist financial policies, a ‘competitive market economy’,

a Common Foreign and Security Policy and closer military cooperation. A European Central Bank (ECB) would be established to manage the ‘euro’, control member state central banks in the eurozone and to help enforce monetarist policies. The ECB would be independent of any elected bodies at a national or European level.

Thus the Maastricht Treaty accelerated the development of state-monopoly capitalism at a European level, building an embryonic EU state apparatus whose political—and later military—power could combine with the economic power of Europe’s capitalist monopolies. For these reasons, the Communist Party, Tony Benn, Dennis Skinner and others on the left urged rejection of the treaty in a referendum.

Although the Labour Party opposed the Social Chapter opt-out, it refused to call for a referendum on Maastricht. In Denmark, voters rejected the treaty, before approving it with opt-outs the second time around. In France, the Communist Party played the leading role in a referendum campaign which almost defeated the Maastricht Treaty.

The EU’s 1997 Amsterdam Treaty included a notorious ‘Stability and Growth Pact’. This demanded limits to government fiscal deficits and debt of 3% and 60% of GDP, respectively, in all EU member states. As a result, every government must submit an annual ‘Convergence Programme’ to the EU Commission, setting out how it is implementing a deficit reduction strategy to achieve balanced or surplus budgets.

In 2001, the Nice Treaty reformed the structures and procedures of the EU’s main decision-making bodies. When the people of the Irish Republic voted to reject any further transfer of their hard-won national sovereignty to the EU, a second referendum was held to secure their consent.

In 2004, a draft European Constitution entrenched enormous new powers in the hands of the EU Commission and ECB, banned member state central banks from issuing bonds to fund public sector investment, outlawed state aid to industry in almost all circumstances, aligned the future EU Common Foreign and Security Policy with NATO and set up new structures to accelerate rearmament and military coordination.

After the peoples of France and the Netherlands rejected the draft constitution in referendums, further polls were called off in Britain and elsewhere.

An almost identical document was then reintroduced in 2007 as the Constitutional (or ‘Lisbon’) Treaty. Again, the Irish people rejected an EU treaty and were deemed to have voted the wrong way, obliging them on the basis of various threats and promises to come up with the correct answer in a second poll. No other member state allowed its citizens to vote before ratifying the Lisbon Treaty, including Britain where Tony Blair’s New Labour government had pledged to hold a referendum on any major EU reforms.

The long saga of EU treaties being forced on reluctant populations illustrates a contempt for democracy that runs through the whole EU project.

This contempt is also reflected in the enormous powers of the European Commission, enshrined in the two basic treaties of the EU as amended by the 2009 Lisbon Treaty: namely, the Rome Treaty on the Functioning of the European Union (TFEU) and the Maastricht Treaty on European Union (the TEU).

The EU Commission now enjoys the sole right to draft almost all legislative proposals (TFEU 17.2); it can even refuse to do so on any particular matter requested by the European Parliament (TFEU 225), which has no such power itself.

Furthermore, the Commissioners can address that parliament on demand (TFEU 230) and even deny it permission to set up a committee of inquiry.

Would such a situation be tolerated in any country claiming to be a democracy? That the civil service can refuse to draft a parliamentary bill when asked to do so by the elected representatives! That top civil servants have the right to address the elected parliament on demand!

This contradiction between EU bureaucratic power and representative democracy cannot be resolved, because the EU Parliament is not democratic other than in a purely formal sense. With one MEP for half a million constituents or more, representation is on too large a scale to be meaningful. There can be no close link between the electors and the elected—which is why most electors in Britain and the rest of the EU don't have the faintest idea who represents them at the moveable feast that is the EU Parliament, alternating expensively between Brussels and Strasbourg.

Moreover, without totally overturning the two basic EU treaties, any attempt to give the EU Parliament more powers can only be at the expense of the powers of elected national parliaments and governments. The so-called 'democratic deficit' in the EU represents, therefore, an insoluble contradiction: it can only be resolved at the continental level by enhancing the powers of a body that has the form but not the substance of democracy.

The extent to which elected national governments and parliaments have been made subject to EU sovereignty was demonstrated on the very eve of Britain's referendum.

EU Directives set minimum rates for VAT across a wide range of products that cannot be reduced. They also prohibit—except in the most extraordinary circumstances—the abolition of VAT on a product once it has been rated. The unanimous wish of the Westminster parliament and government was to abolish VAT on women's sanitary products. But this requires EU permission. Thus, we witnessed the spectacle of an elected British government going to unelected commissioners in Brussels to plead to be allowed to do so. Zero-rating was finally granted just three months before the 2016 referendum. *Quelle surprise!*

The class character of the EU

The anti-democratic character of the EU has developed in order to enforce its fundamentally class character. EU treaties, rules and institutions are designed to serve the common interests of Europe's capitalist monopolies.

That's why the Treaty on European Union (TEU), in effect, outlaws planned economies by insisting that each member state has a 'highly competitive market economy' (Article 3) and why the Treaty on the Functioning of the European Union (TFEU) repeatedly demands that member states operate 'an open market economy with free competition' (Articles 119, 120 and 127). In reality, almost every branch of the economy in the most advanced capitalist countries of the EU is dominated by no more than six or seven giant corporations. This means that, now and again, the EU and national governments reluctantly take feeble action against monopoly practices in order to maintain the fiction that they have 'an open market economy with free competition'. Significantly, the EU takes firmer action against rival US monopolies.

The TFEU also insists upon a single internal market with the 'free movement of goods, persons, services and capital' (Article 26)—echoing the original Treaty of

Rome (1957). Thus business corporations can freely move capital and labour around Europe in order to maximise profit. The same treaty also declares that ‘all restrictions on the movement of capital between Member States and between Member States and third countries shall be prohibited’ (Article 63). Not surprisingly, therefore, the EU leads the drive in the World Trade Organisation (WTO) to open up other countries to penetration by European monopoly capital, helping EU-based corporations to take control of the water, electricity, transport, mining and agricultural sectors of many less developed and developing countries around the world—often with little or no benefit to the local populations.

Big business corporations meet more or less in permanent session with EU Commissioners and relentlessly lobby the EU Parliament. Around 50 of the continent’s biggest industrial companies have been organised in the European Round Table of Industrialists since 1983, proposing and shaping many of the economic and social policies pursued by the EU Commission. Since 2003, the European Financial Services Round Table has exercised similar influence on behalf of 21 or so major banks and other financial corporations. Hence the slow and feeble progress of EU measures to regulate the financial sector, overseen by Commission president Juncker. Previously, as the right-wing Prime Minister of Luxembourg, he presided over a huge international corporate tax avoidance racket to make his country a lucrative tax haven.

This collaboration between the EU Commission and big business has resulted in a series of initiatives to promote higher state pension ages, the ‘liberalisation’ of occupational pensions, more freight transport by road and the EU Emissions Trading Scheme (which sustains a highly profitable market in pollution licenses). Other directives have demanded the fragmentation, ‘marketisation’ and ‘liberalisation’ of nationalised utilities and public services, preparing the ground for privatisation of electricity, the railways and postal services in particular. EU-funded bailouts have demanded sweeping privatisations as a condition of loans to member states in debt to German, French and British banks.

While nationalisation is not explicitly outlawed by EU treaties and directives, they prohibit preferential measures which ‘distort’ the market or breach strictly commercial criteria. Thus any kind of preferential treatment for public sector enterprise is banned, including policies in relation to state subsidies, input or output prices, public sector investment bonds and contract compliance. The ECJ has also made clear that the ‘right of establishment’ implies that nationalised monopolies cannot permit the exclusion of private sector companies from most sectors of member state economies.

In matters of employment law, the class basis of EU treaties, directives and court rulings is also very clear.

The TFEU explicitly forbids EU legislation to enact or enforce the right to strike or join a trade union, a statutory minimum wage or the protection of workers against lock-outs (Article 153). The EU has done absolutely nothing to protect workers in Britain from at least twelve Tory anti-trade union laws since 1979.

Many EU measures such as the Working Time Directive and the Parental Leave Directive are shot through with loopholes, falling short of provisions won by struggle and progressive governments in many member states. EU directives have not closed

the gender pay gap in Britain, limited the average working week to 48 hours or raised paid holidays to the average European level—only trade union action and national legislation can be relied upon to do that.

In fact, most of our employment, trade union, health and safety, equal pay, minimum wage and anti-discrimination rights have been won through struggle and progressive legislation. They were not gifted to us by the ruling class in Britain, nor by the EU. It took trade union and political action to win the 1970 Equal Pay Act (1970), Trade Union and Relations Act (1974), Health & Safety at Work Act (1974), Employment Protection Act (1975), Sex Discrimination Act (1975), National Minimum Wage Act (1998), Employment Relations Act (1999), Maternity and Parental Leave Regulations (1999) and the Sex Discrimination (Gender Reassignment) Regulations (1999). Only the Labour government's Working Time Regulations (1998) enacted a limited right to work no more than 48 hours a week, while also improving upon the EU Working Time Directive in matters of paid leave, rights for farm workers and daily rest for young workers. In other important areas of labour law, too, Britain is ahead of the EU, including trade union recognition and collective bargaining rights. We have the second longest entitlement to maternity leave of any country in Europe—52 weeks (up to 39 weeks paid), compared with 14 in the EU Directive (a rise to 18 has been under discussion since 2010).

At the same time, neither EU nor British legislation has prevented the average full-time worker in Britain having the third longest working week in the EU, behind only Greece and Austria. Workers in 21 other EU states have more statutory days off with pay (total leave and public holidays) than in Britain.

The 'free movement of labour' enshrined in EU treaty since 1957 has been used ruthlessly by transnational corporations to super-exploit migrant workers and employees 'posted' from one country to another, where they can be employed on inferior terms and conditions to local workers. This large-scale, systematic abuse has been protected by a series of ECJ rulings derived from the EU Posted Workers Directive, the Services ('Bolkstein') Directive and the Business Transfers Directive.

- In the Viking case (2007), the ECJ ruled that trade union action to enforce the application of negotiated trade union agreements to 'posted' workers (contracted from abroad and imported to work in the home market) could be regarded as a breach of a company's right to establish operations in any EU member state—the so-called 'freedom of establishment'.
- The Laval judgement (2007) further restricted the grounds on which such industrial action could be taken, forcing Sweden to change its domestic law and making Swedish trade unions pay punitive damages.
- In the Ruffert case (2008), the ECJ ruled that the provincial government of Lower Saxony had no right to impose public procurement laws on a subcontractor employing 'posted' workers on wages below the local minimum.
- A ruling against the state of Luxembourg (2008) restricted the areas in which terms and conditions can be imposed by national law on companies using 'posted' workers.
- Recent ECJ verdicts in the *Alemo-Herron* (2013) and *USDAW-Woolworths* (2015) cases overruled court and tribunal decisions in Britain in order to restrict the rights

and entitlements of workers who have been outsourced or made redundant.

Just as the anti-democratic character of the EU serves the interests of the capitalist monopolies, so the EU neoliberal fundamentalism further restricts democracy at every level. In particular, EU financial, ‘free movement’ and ‘right of establishment’ rules hugely restrict the ability of elected representatives to intervene in the economy in the interests of workers, people generally and their local communities.

For example, in 2015 the SNP government in Edinburgh was compelled to transfer the management and financing of scores of investment projects from an arms-length, ‘non-profit’ public sector body—the Scottish Futures Trust—into the private sector. Otherwise, the whole of the up-front borrowing would have had to be included in the public sector accounts thereby threatening to breach EU government deficit and debt rules. As a result, the Scottish government’s infrastructure programme will end up costing three times more in unitary charges over 40 years than the value of the new schools, roads, hospitals and clinics themselves.

EU treaties outlaw a whole raft of other policies that governments might wish to implement in the interests of the working class and society generally. But nothing has better illustrated the class basis of the EU than its response to the 2007-08 financial crash.

Financial crisis and the ‘Troika’

The anti-working class, pro-monopoly capitalist character of the EU was dramatically confirmed when the banks and financial system had to be rescued from their own greed and corruption. All those EU commitments to ‘free market’ principles immediately went out of the window. Suddenly, it was perfectly acceptable for governments to borrow on a huge scale to bail out financial capitalism with subsidies and even nationalisations. Consequently, after EU member states had put themselves in positions of insolvency and impending bankruptcy, key EU institutions intervened to refinance the bailouts in four main cases.

In 2010, the European Commission and the ECB joined the International Monetary Fund (the ‘Troika’) to launch a series of loans and ‘bond swaps’ (with the ECB taking on liabilities) to the governments of Greece, Ireland, Portugal, Spain and Cyprus. These enabled those governments to honour bonds issued to finance public expenditure (including bail-outs of their own countries’ banks).

The real beneficiaries of the Troika interventions were those German, French, British and Italian banks, which had been the main bond-holders.

Altogether, the EU has found about €433bn (£377bn) to bail out eight member state governments. That’s the equivalent of total EU spending on all planned social, regional, infrastructure, R&D, education, training and cultural programmes in Europe over the next five years.

The Troika interventions came at another price, too. Driven by the EU Commission and ECB, they demanded harsh austerity cuts in social and welfare programmes, increases in VAT and other regressive taxes (particularly in Cyprus), labour market reforms to reduce workers’ rights (notably in Spain) and sweeping privatisation measures (especially in Greece).

When the social democratic PASOK government in Athens threatened to hold a

referendum against the Troika's demands for yet more austerity as the condition for a second bail-out, it was threatened with financial sabotage and Prime Minister Papandreou was removed. In November 2011, the remaining social democrats joined a right-wing coalition headed by an unelected 'technocrat', former ECB vice-president Lucas Papademos.

That same year, the right-wing Italian government of Silvio Berlusconi failed to take harsh enough action to impose austerity measures and slash employment rights. Pressure from the banks, bond markets, the EU Commission and the ECB forced it from office under threat of financial bankruptcy. A regime of unelected technocrats ruled Italy from November 2011 for 18 months, headed by former EU Commissioner Mario Monti.

After the election of a new government in Greece in January 2015, led by the supposedly leftist Syriza coalition, a referendum showed 61% of people opposed the further round of austerity and privatisation measures being demanded by the Troika. Nevertheless, the Syriza leadership capitulated to the EU after winning a subsequent parliamentary election, even agreeing to labour market 'reforms' that make it easier to sack workers and tear up collective bargaining agreements with trade unions.

The consequences for the victims of these EU punishment beatings were severe. Troika austerity measures plunged economies into deeper and longer recession, destroyed millions of jobs, eliminated public services and slashed working class living standards—by 40% and even more in the case of Greece.

This experience has played a significant part in shifting some trade union, socialist and communist forces to a more sceptical attitude towards the EU. This is certainly true of the communist and workers' parties in France, Spain, Cyprus and Germany, which now consider the EU to be unreformable. The communist parties of Britain, Ireland, Denmark, Hungary, Greece and Portugal continue to oppose the EU as a capitalist, imperialist construction. Other left forces such as the Swedish Left Party, the Dutch Socialist Party, the Left Party in France and the Left Bloc in Portugal are also deeply Eurosceptic.

Britain's referendum campaign

The class character of the EU was also clearly reflected in the line-up of forces in favour of a 'Remain' vote in June 2016: Tory Prime Minister David Cameron, Chancellor George Osborne and the majority of the Tory Cabinet, employers' organisations the CBI and the Institute of Directors, the Bank of England, the City of London financial sector and most of big business. These reactionary forces were supported by leading officials in the IMF, OECD, NATO and the European Commission. Unable to make a positive case for EU membership beyond the value of international trade and travel, and unconvincing as champions of 'workers' rights, they made spurious claims for the EU as a factor for peace and international cooperation.

Above all, the Remain campaign played upon people's fears. A vote for Leave, it was insisted, would have immediate and tragic consequences: the loss of trade and jobs on a catastrophic scale, the collapse of sterling, a steep slide into national bankruptcy, isolation from the rest of the world, a lurch to the far right politically and an orgy of xenophobia and racism. We were even warned by a solemn Chancellor and

his Treasury that every family in Britain would be worse off to the tune of £4,300 by 2030 should we leave the EU.

The Labour Party, together with most trade unions, echoed these fears, albeit less hysterically. They also emphasised the need for the EU to be reformed, to become more democratic and socially progressive. But no more was heard of all the previous criticisms and condemnations of ECJ anti-worker judgements or of Troika austerity and privatisation policies.

Shamefully, the TUC and the Green Party went so far as to claim that most social, employment and trade union rights in Britain had been granted to us by the EU, rather than won by the labour and progressive movements through struggle.

Other Remain campaigners on the left maintained a more critical attitude towards the EU, recognising also its incapacity for radical reform. But they feared that a 'Brexit' led by a Tory government under pressure from a rampant United Kingdom Independence Party (UKIP) would lead to more austerity and a resurgence of nationalism and racism.

The SNP and Plaid Cymru argued that their nations would fare better as separate member states of the EU. Yet such 'independence' would subject them to the sweeping economic and financial powers of the EU and its institutions as small and marginal voices. The export of capital and jobs to southern and eastern Europe would continue, with the governments in Edinburgh and Cardiff powerless to pursue policies of state aid, economic planning, the direction of corporate investment or public sector procurement. Their main trading relations would continue to be with England, while the common struggle of the labour movement across England, Scotland and Wales for state power and the redistribution of wealth would, in reality, come to an end.

The two main Leave campaigns were led by a section of the Tory right and UKIP, respectively. Their campaigning concentrated on immigration from eastern Europe and its real or alleged impact on jobs, wages, public services and local communities. Appeals to racism and xenophobia were never far from the surface.

They also made the more general case for Britain 'taking back control' over areas of governmental and parliamentary decision-making. Such a demand has a democratic character, but for many Tory and UKIP British nationalists it is also seen as the means to reactionary ends, such as total deregulation of the labour market and even harsher immigration controls.

The working class and left-wing case for leaving the EU was made by a small minority of Labour MPs, three trade unions (rail unions RMT and ASLEF and bakers' union BFAWU), the Socialist Party and Lexit: the Left Leave Campaign.

The Lexit coalition was convened by the Communist Party, Counterfire, the Socialist Workers Party and the Indian Workers Association (GB). Representatives from the three anti-EU unions, Labour Leave, the Bangladeshi Workers Council and other minority ethnic and progressive bodies also spoke on Lexit platforms. Despite an almost total boycott by the pro-EU and right-wing anti-EU mass media, the Lexit campaign organised a vigorous programme of public events and Lexit speakers addressed a wide range of trade union, community and student meetings.

The Lexit campaign highlighted the anti-democratic, anti-working class, pro-capitalist and imperialist character of the EU.

In particular, it argued that the EU's basic treaties, rules and institutions would

present substantial obstacles to any British, Scottish or Welsh government that tried to implement a left and progressive programme. While it would have been better to have a left-led government in Britain pursuing policies, challenging the EU and creating the conditions for a ‘left exit’, the opportunity to leave the EU should be taken now. A future left government in Britain would face powerful enough forces when trying to implement a radical programme, without trying to do while also locked inside the anti-socialist EU.

Furthermore, Lexit conducted an anti-racist, internationalist campaign which included vigorous attacks on the xenophobic and racist sentiments that featured prominently on both sides of the EU question. Remain campaigners such as Prime Minister Cameron, Home Secretary Theresa May and Health Secretary Jeremy Hunt flaunted their nationalistic credentials by promising to keep out non-EU migrants, cut benefits to migrant workers and their families, send back ‘illegal’ overstayers and stop so-called ‘health tourists’ coming to Britain for NHS treatment.

At a time when thousands of people seeking entry to Europe were drowning in the Mediterranean or languishing in transit camps, Lexit attacked the EU’s ‘Fortress Europe’ policies that raised the immigration and citizenship barriers to non-white migrants from other continents and dumped refugees in Turkey under a squalid deal between the EU and the Erdogan regime. Many Lexit campaigners engaged in solidarity action with migrants and refugees, including the organisation of aid convoys to Calais and other locations.

These were more good reasons to celebrate the Leave victory in June 2016.

For Britain’s ruling class, that referendum result came as an enormous shock. ‘Project Fear’ had failed to stampede a majority of voters (52%) into the Remain camp. In particular, a substantial number of Labour voters, workers and trade unionists had not succumbed to the relentless threats of mass redundancy and rampant poverty should they opt for ‘isolation’ outside the EU, while a majority of Tory supporters (58%) had gone against the wishes of their pro-EU Prime Minister and most of his Cabinet colleagues.

Since the referendum, everything has been said to try to discredit the result. Remain supporters who had never questioned the legitimacy of the poll or the validity of a majority vote before June 23, 2016—when they thought they were going to win—have denounced it ever since as invalid, non-binding, illegitimate or illegal. The Leave result has been portrayed as a thoroughly reactionary expression of racism, nationalism and xenophobia. Working class Leave voters have been characterised as ignorant, elderly dupes, racists and reactionaries who did not realise what they were voting for, led by the nose by Michael Gove, Boris Johnson and Nigel Farage.

The most extensive survey of who voted and why, in which the Ashcroft polling organisation questioned more than 12,000 referendum voters, tells a rather different story. It indicates that:

- Regaining sovereignty was the main issue for almost half (49%) of all Leave voters, while only one-third (33%) named immigration as the most important consideration.
- The number of Leave voters (17.4m) greatly exceeded those who voted UKIP (3.9m) or even Tory (11.3m) at the 2015 General Election and included substantial proportions of Labour (37%), Green (25%), Plaid Cymru (56%) and SNP (36%)

supporters.

- Of the 17.4m Leave voters, 6.7m had not voted Tory or UKIP but for other parties at the previous (2015) General Election and 1.2m had not voted at all.
- Of referendum voters having a more negative than positive view of capitalism (39%), a slight majority (51%) voted Leave rather than Remain.
- A majority of working class voters opposed continued EU membership, whether broadly defined (social category C1 as well as C2 and D&E) at 58% or narrowly defined (C2 and D&E) at 64%.
- Only in the highest social categories (A&B for higher and middle managers, administrators and professionals) was there a majority vote (57%) for Remain.

Nonetheless, racist and non-racist opposition to mass immigration and the use of imported labour to undermine local pay and job opportunities fuelled a significant proportion of the Leave vote. The conditions in which such appeals could thrive had been created over many years, not least by pro-EU New Labour and Tory governments and politicians who have portrayed immigration, asylum and migrant labour in overwhelmingly negative terms.

Immediately after the referendum result, Britain saw a rise in race hate incidents reported to the police. No doubt, bigots felt emboldened by an anti-EU vote, which they were told by pro-EU commentators was a victory for racism and nationalism. While even one race hate incident is one too many, it should also be noted that there has been an upward trend in such reporting over a long period of time and that the post-referendum spike has since subsided.

What is required now is vigilance and unity in action to combat racism, not attempts to divide anti-racists along pro- and anti-EU lines.

The ruling class reorientates

Most of Britain's ruling class centred on the City of London wanted a 'Remain' vote in the referendum, whatever the position of some right-wing, anti-EU business figures. In the wake of an unexpected defeat, a strategic reorientation was necessary in order to minimise the potential damage.

This political exercise could not take place under the discredited government of Prime Minister Cameron and Chancellor Osborne. They were quickly replaced by pro-EU Tory Cabinet ministers less associated with the referendum campaign—step forward Theresa May and Philip Hammond, alongside the pro-EU Michael Fallon (Defence), Amber Rudd (Home Office) and Jeremy Hunt (Health). Anti-EU campaigners such as David Davis (Brexit Secretary) and Boris Johnson (Foreign Secretary) were brought into the new government in order to preserve Tory unity and lend credibility to the makeover.

The new Cabinet had to work out a strategy that would not only maintain unity within its ranks together with the support of millions of Tory voters. Above all, it had to do so while representing the interests of its City paymasters and the British ruling class. This explains why the Tory government took nine months from the date of the referendum result to submit the formal notice of Britain's intention to withdraw from the EU under TEU Article 50.

Following their referendum defeat, the ruling class and its Tory government faced a

choice between three strategies.

The first was to find a way of preventing implementation of the June 2016 result without running the risks of another referendum.

This could be done either through parliamentary sabotage—mobilising pro-EU majorities in both houses of the Westminster parliament—or through legal action in the supreme court to find some part of the withdrawal process ‘unconstitutional’. These tactics have since been tested, but have not proved viable. Parliamentary sabotage would have split Tory MPs almost down the middle and—after the June 2017 General Election—wrecked the party’s vital alliance with the anti-EU Ulster loyalists of the Democratic Unionist Party. No substantial grounds could be found to justify a legal or constitutional veto on withdrawal itself, despite the best efforts of City-based litigants and pro-EU judges.

The second strategy would be to create the conditions in which a second referendum could be held and won. This strategy, too, risks alienating the DUP and anti-EU Tory voters. Moreover, despite a continuous and at times hysterical barrage of anti-Brexit propaganda since the first referendum, opinion polls indicate that a second ballot could still go either way. Nor, so far, is there clear majority support among the public for another referendum on the EU. A large section of the population—including many people who voted Remain—believe that the existing referendum result should be honoured, reflecting the deep popular commitment to democratic principles that exists in Britain. Unfortunately, this commitment is not shared by the leaderships of the Liberal Democrats, SNP, Plaid Cymru and Green Party, who call for a second referendum rather than implementing the decision of the first.

The third strategy—which does not rule out turning to the second one later—has been to accept the referendum result formally and negotiate an exit settlement which binds Britain as closely as possible to the pro-big business rules and ‘market freedoms’ of the EU and its Single Market, policed as they are by the EU Commission and the ECJ. This has been the approach pursued by Prime Minister May and most of her Tory government.

Fear of a ‘hard Brexit’

But how could a strategy for continued submission to EU rules and institutions be proposed without appearing blatantly to disrespect the referendum result?

The answer has been for pro-EU business, political and media circles to draw a sharp distinction between what they increasingly termed a ‘soft Brexit’ (i.e., continued alignment with—and submission to—EU rules and institutions) and a ‘hard Brexit’ (i.e., leaving the EU including its Single Market and Customs Union rules).

A concerted ideological drive has thus been underway since summer 2016 to present a so-called ‘hard Brexit’ as an unmitigated disaster for Britain, its peoples and its economy. It is claimed that non-membership of the Single Market, or non-alignment with its rules, is equivalent to non-access to European markets for Britain’s exports. The possible impact of tariffs on trade with the EU in terms of administration costs, higher export prices, lower exports, jobs, higher import prices and increased inflation is grossly exaggerated.

Yet many countries around the world export goods and services to the EU, without

Single Market membership or alignment. They do so by bilateral or multilateral agreement with the EU or on the basis of World Trade Organisation (WTO) rules.

Outside the EU, Britain could speak for itself at the WTO while being protected by its rules. These require signatories—including the EU—not to discriminate against other countries in trade policies with which they have no ‘free trade agreement’ (FTA) or customs union. In particular, WTO rules limit the tariffs and quotas that can be placed on imported goods.

British governments and big business oppose falling back on this position, because it would mean breaking from the ‘free trade’ and neoliberal orthodoxies of recent decades. True, it would also impose financial tariffs on exporters and raise import prices (thereby adding to inflationary and wage pressures). However, Britain’s large trading deficit with the EU means that the revenues from import duties on EU products would be more than enough to compensate Britain’s importers and exporters for their increased costs, perhaps making such assistance conditional upon price restraint.

Furthermore, levying tariffs on imports from the EU would make home-produced commodities more competitive, creating the jobs that should go with increased home-market share.

Outside the Single Market and any kind of customs union with the EU, Britain would be free to reduce or eliminate the common external tariffs applied by the EU to imports from non-EU countries. These apply to a wide range of industrial and agricultural products, currently adding an average of more than 4% and 11%, respectively, to their prices in Britain. It would be for a British government to decide what rates would be best for consumers and producers at home, while also assisting Third World producers who are denied reasonable access to European markets.

A so-called ‘hard Brexit’ also means freedom for an elected British government to negotiate its own mutually beneficial trade and investment agreements with other countries around the world. This could, of course, include a future trade or customs agreement with the EU after leaving it.

But what’s also clear at the moment (early 2018) is that no such government has been elected with a mandate to bind Britain to the treaties, rules and institutions of the EU through any kind of alignment with the Single Market.

What kind of ‘soft Brexit’?

This is the question that Britain’s ruling class wants to concentrate public debate upon, to the exclusion of a real and full departure from the EU.

For a start, it would involve the longest possible ‘transition period’ after Britain’s formal membership of the EU ceases in March 2019. For that fixed period, initially at least, EU Single Market rules would continue to apply, notably for the free movement of capital, goods, services and people, with restrictions on state aid and compliance with EU directives on public sector procurement, VAT, etc. The unelected EU Commission and the anti-worker ECJ would continue to act as enforcers and adjudicators, making sure that British, Scottish and Welsh governments comply with EU Single Market requirements.

It is argued that this would give British and EU businesses time to adjust to the new post-Brexit relationship between Britain and the EU. As with the delay in triggering

the Article 50 process, the real purpose is to prolong EU membership in essence, while working out how best to keep Britain permanently aligned with the Single Market. Continually extending the ‘transition’ period or, sometime in the future, making it permanent would achieve the same fundamental objective.

Yet a transition period—now being called an ‘implementation’ period—would only serve a useful purpose if it eases the change to a genuinely new set of arrangements and is by definition, therefore, temporary.

But a ‘soft Brexit’ aims to maintain the old set of arrangements for as long as possible, keeping Britain aligned with the EU Single Market and subject to its rules and institutions.

This could be done in one of three ways:

Joining the European Economic Area (EEA). Doing this via the European Free Trade Association (EFTA) would give Britain tariff-free access to the EU Single Market and to that of the EFTA countries (Norway, Liechtenstein, Iceland and—although not in the EEA—Switzerland). It also means accepting EU ‘free movement’, ‘right of establishment’ and ‘free market’ rules (although these do not apply to agriculture and fisheries); aligning with EU legislation in areas of social policy, company law, consumer protection and the environment; and continuing with EU budget contributions.

Britain would remain, at least indirectly, subject to the jurisdiction of the ECJ via the EFTA Court of Justice, which complies with all relevant EU law and ECJ judgements. In rulings such as the *Holship* case (2016), the EFTA Court has upheld EU competition and ‘right of establishment’ law against trade union collective agreements.

As a member of the EEA and EFTA, Britain would be free to retain its own seat at the World Trade Organisation (WTO) and to negotiate trade and commerce agreements with other countries. But these agreements would have to be consistent with EU Single Market rules and other EU trade treaties.

EEA membership (the so-called ‘Norway option’) is the form of ‘soft Brexit’ most favoured by powerful sections of British monopoly capital, including those represented in the EU Business Advisory Group set up by Prime Minister May in July 2017. She chaired its first meeting attended by Chancellor Hammond, Business Secretary Greg Clark, Brexit minister Robin Walker—all of them Remain campaigners—and the most senior people in the CBI, Institute of Directors, British Chambers of Commerce, Engineering Employers Federation, Tesco's, Prudential, Jaguar Land Rover and other business organisations.

Negotiating membership of the European Union Customs Union (ECU) or a bilateral customs union with the EU.

The ECU comprises the EU together with Monaco, Jersey, Guernsey, the Isle of Man and British sovereign territories in Cyprus. There is tariff-free trade in non-agricultural goods within the ECU but, unlike an FTA, each member state must operate a common external tariff against imported goods from outside the union, while the EU represents the others at the WTO and in all international trade matters.

The EU has bilateral customs unions with Turkey, Andorra and San Marino. These provide for tariff-free trade in non-agricultural goods with a common external tariff, alignment with EU FTAs (from which Turkish exports are excluded) and compliance

with EU product standards. Such conditions substantially limit the scope of Turkey's FTAs with non-EU states.

Negotiating a Free Trade Agreement (FTA) with the EU. This is what Switzerland and Canada have done, but not on the same basis.

After the Swiss people rejected EEA membership in a referendum in 1992, their right-wing pro-EU government negotiated an FTA which almost amounts to the same thing. Most EU law now applies in Switzerland and contributions are made to the EU budget. Although the Swiss voted in 2014 to limit immigration from the EU, the Berne government and EU Commission worked out new legislation enabling employers to continue their super-exploitation of migrant labour. Switzerland also collaborates with the EU Common Foreign and Security Policy, including its military missions in Bosnia, Kosovo, Congo and elsewhere and its non-UN sanctions against Russia, Belarus and other states.

The 2017 Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada provides for tariff-free trade in most goods and services, opens up public sector procurement contracts and protects capitalist investors through a disputes resolutions procedure whereby corporations can take governments to a tribunal. Because it does not bind Canada to EU Single Market or Customs Union rules, this type of FTA is, in essence, compatible with a neoliberal 'hard Brexit' scenario.

Labour's missed opportunities

Labour Party leader Jeremy Corbyn called on June 24, 2016—the day the referendum result was declared—for Article 50 to be invoked immediately. Had that demand been taken up by Labour MPs and the trade union movement, it would have intensified the pressure on a ruling class already plunged into crisis by the people's verdict on EU membership.

Better still, Labour should have been ready with its own proposals for a 'people's Brexit' from the EU, based on a class analysis and with its own demands in the interests of working people and their families.

Instead, Corbyn's call triggered a move by treacherous pro-EU, right-wing Labour MPs to remove him even earlier than planned. They forced the Labour Party into an unnecessary and divisive second leadership contest. Throughout the summer and early autumn of 2016, this allowed the ruling class and the Tory government to regroup and reorientate their EU strategy in conditions of relative ease, while pro-EU and anti-socialist Labour MPs and their media allies in *The Guardian* and the BBC renewed their ferocious campaign against Corbyn and his left-wing, Eurosceptic views.

Taking advantage of Labour's continuing division and disarray, Prime Minister May then called a General Election for June 8, 2017. Her intention was to strengthen her mandate for new and existing right-wing policies and, in particular, to marginalise the most intransigent anti-EU elements in the Tory Party. This would gain political space to bargain freely with the EU in the interests of British monopoly capital. By this time, the ruling class and Tory policy on the EU was clear: to secure some form of 'soft Brexit' if the referendum result could not be reversed altogether. Chancellor Hammond and Prime Minister May had also begun to set their Brexit strategy in the wider context of Britain becoming a low tax, deregulated tax haven, negotiating free trade and investment deals with the USA, China and other countries as well as with

the EU.

May's opportunism backfired, however. With Jeremy Corbyn heading a vigorous, social-democratic Labour campaign, she lost the Tory majority in the General Election. Labour's votes and share of the poll rose from 9.3m (30%) to 12.9m (40%).

The UKIP vote collapsed, with more than half of its previous supporters switching to the Tories, helping them to increase their vote a little. Indeed, there was nothing like the right-wing Tory and UKIP landslide predicted in the event of a Leave result by left and liberal Remain supporters during the referendum campaign. In the General Election, the three main parties standing on a strongly pro-EU platform (the LibDems, Greens and SNP) all saw their votes and shares drop. Afterwards, Theresa May had to bribe the DUP Ulster loyalists to prop up a minority Tory government.

With the first round of EU exit negotiations scheduled for late June, Labour had a second opportunity to take advantage of ruling class disarray and develop a consistent, coherent exit policy of its own.

Labour's General Election manifesto, *For the Many, Not the Few*, had promised to respect the referendum result and seek a 'Brexit deal that works for every community in Britain'. In exit negotiations, a Labour government would prioritise 'retaining the benefits of the Single Market and the Customs Union' through a new tariff-free trade deal with the EU. The manifesto rejected the option of a 'no deal' exit as the 'worst possible deal for Britain' and committed Labour to negotiate 'transitional arrangements' if necessary. But there was nothing in Labour's manifesto about retaining membership of the EU Single Market or the European Customs Union—impossible anyway without staying in the EU itself—or joining EFTA and the EEA, or aligning Britain with EU Single Market rules.

Instead, it outlined a bold and popular programme that committed the next Labour government to:

- Establish a National Transformation Fund to boost infrastructure investment with extra government borrowing.^{123, GSP}
- Establish a National Investment Bank and regional development banks to support small business, cooperatives, R&D and innovation.^{106, 107}
- Direct corporate investment so it is shared fairly between the regions and nations of Britain.^{49, 50, 63}
- Bring rail services, energy, water and the Royal Mail back into public ownership, including through support for public and social sector companies in competition with private ones.^{50, 56, 59, 107, a, b, c}
- Cap energy costs and invest in 'new publicly owned energy provision'.^{50, 56, 106, 107}
- Use publicly owned banks to support local communities.^{50, 106, 107}
- Ensure future trade deals safeguard rights to regulate in the public interest and protect public services.^{28-30, 32}
- Use Britain's WTO membership, bilateral trade deals, export credit, financial assistance and other measures to promote exports, strategic investment, decent jobs, etc.^{28-30, 32}
- Impose selective import duties to end state-subsidised dumping.^{28-30, 32, 110, 113}
- Attach tax compliance, trade union recognition, equal opportunities, training and boardroom conditions to central and local government procurement contracts.^{37, 101, d}

- Compel banks to keep open local branches to meet local needs.^{49, 50, 63, e}
- Make employees the ‘buyer of first refusal’ when their company is put up for sale.^{49, 50, 56, 63, e, f, g, h}
- Amend company law so directors have a legal duty to workers, customers, the environment and the public interest as well as to shareholders.^{f, h}
- End the exploitation of migrant labour and stop ‘overseas-only recruitment practices’.^{45, 46, i, ECJ}
- Develop new, fair immigration rules once freedom of movement ends when Britain leaves the EU.^{20, 21, 45, 46, 49}
- Restrict VAT to its current range of goods and services.^j

What also distinguishes these policies, though, is that they contradict the letter or the spirit—or both—of at least 20 articles of the Treaty on the Functioning of the European Union, 14 EU directives, the EU Court of Justice rulings (ECJ) referred to earlier judgements and almost certainly the debt and deficit limits in the EU Stability and Growth Pact. (See box)

Key: EU Treaty articles and Directives which challenge Labour’s manifesto policies

TFEU Articles

20, 21	migration and residency rights
28, 29, 30	customs union, tariffs and imports
32	EU Commission trade negotiating role
37	public sector procurement
45, 46	free movement of workers
49, 50	the right of establishment
56	provision of services
59	liberalisation of services
63	free movement of capital
106, 107	state aid
101	contract competition
110	trade protectionism
113	tax harmonisation and distortion of competition
123	central bank credit

EU Directives

a	2014/25/EU water, energy, railway and postal services procurement
b	2012/34/EU Single Railway Directive and 2016 Fourth Railway Package
c	97/67/EC, 2002/39/EC and 2008/6/EC postal services
d	2004/18/EC and 2014/24/EU public sector procurement
e	2012/30/EU protection of shareholders and creditors
f	82/891/EEC protection of shareholders and creditors
g	89/666/EC protection of shareholders and creditors
h	2011/35/EU protection of shareholders and creditors
i	96/71/EC and 2014/67/EU ‘posted’ workers
j	2006/112/EC VAT and proposed VAT Action Plan COM(2016) 148

These are all obstacles that could be used by employers, companies, the British courts and EU institutions to frustrate the programme of a left-led Labour government while Britain is in or aligned with the EU Single Market.

In the face of such a scenario, Labour had an opportunity to continue promoting its popular manifesto policies, uniting progressive Remainers—many of whom are unenthusiastic about the EU—and progressive Leavers and agnostics around it. Here was a real left and labour movement alternative to both the pro-EU ‘soft Brexit’ and neoliberal ‘hard Brexit’ strategies.

Unfortunately, another opportunity was missed because a phalanx of Labour MPs put their devotion to capitalism, the EU and NATO before the interests of their party and the labour movement. Indeed, many of them do not agree with Labour’s turn to the left under the Corbyn-McDonnell leadership. They would positively welcome the role of the EU and its Single Market as a bulwark against left-wing policies. At the end of July 2017, 49 Labour MPs backed an amendment from Chuka Umunna to the Queen’s Speech calling for Britain to remain in the Single Market and Customs Union.

On August 27, 2017, shadow Brexit secretary Keir Starmer announced in the pro-EU Observer Sunday newspaper that Labour would support a ‘transitional arrangement’ with the EU of up to four years, during which Britain should submit fully to Single Market rules, ECJ jurisdiction and EU budget contributions. This would amount to a prolongation of EU membership in all but name. Whereas Prime Minister May had insisted that Britain would leave the Single Market and the Customs Union during any transition period (a position she has since abandoned), Starmer declared that ‘remaining in a form of customs union with the EU is a possible end destination for Labour, but that must be subject to negotiations’. He added that ‘Labour is flexible as to whether the benefits of the Single Market are best retained by negotiating a new single market relationship or by working up from a bespoke trade deal’.

In a carefully orchestrated exercise, Labour’s ‘U-turn’ was welcomed that Monday morning by business figures, LibDem leader Vince Cable, pro-EU Tories, ‘anonymous’ EU spokespersons and—in an article in the *Financial Times*—by former EU Commissioner Lord Mandelson. Thus Starmer’s announcement sent a clear signal to big business and pro-Remain MPs in Westminster, who were about to consider the EU Withdrawal Bill, that Labour intended to become the trusted party of ‘soft Brexit’.

It was also perfectly timed to undermine further the position of ‘hard Brexiteers’ in the Tory Cabinet, not least Brexit secretary David Davis, who was about to begin another, crucial round of exit talks in Brussels the following day. Asked on BBC Newsnight if Labour was now the party of ‘soft Brexit’, deputy leader Tom Watson replied: ‘Yes, you have seen Keir Starmer’s statement, we think that being part of the Customs Union and the Single Market is important in those transitional times’. With careful ambiguity, he added that remaining in both ‘might be a permanent outcome of the negotiations’.

In defence of Labour’s manifesto, there was some push-back. On September 24, on the eve of the Labour Party conference, Jeremy Corbyn expressed doubts about remaining part of the Single Market after a transition period ends. He told the BBC Andrew Marr Show: ‘We need to look very carefully at the terms of any trade

relationship because at the moment we're part of the single market, obviously, that has within it restrictions on state aid and state spending, that has pressures on it through the European Union to privatise rail, for example, and other services'. At a fringe festival alongside the conference itself, shadow chancellor John McDonnell warned that a Labour government could face economic and financial sabotage, including capital flight and an attack on sterling. While he did not specify which policies formed part of his team's 'war game-type scenario planning', it's no secret that any emergency measures to prevent a massive outflow of capital would be in breach of one of the most fundamental rules of the EU and its Single Market.

Phase One: going or staying?

Two months before exit talks began on June 19, 2017, the EU Council of heads of government and EU Commission president Juncker had worked out their negotiating strategy, tactics and objectives.

On that first day, EU chief negotiator Michel Barnier—previously a right-wing French politician and unelected EU Commissioner—declared that he was 'not in the frame of mind to make concessions or ask for concessions'. He insisted that there would be two phases: the first would ensure full residency rights for EU citizens living in Britain and settle the divorce bill that Britain must pay for leaving the EU. Only after agreement had been reached on these issues to the EU's satisfaction would Phase Two consider future relations between Britain and the EU.

The EU objectives were clear: firstly, to spin out proceedings for as long as possible up to the wire, playing upon the divisions within Tory ranks over citizenship, the free movement of people, the divorce bill, a post-exit transition period and any future role for the ECJ—while allowing Labour's pro-EU 'Taliban' tendency time to impose its full 'soft Brexit' position on the shadow cabinet; secondly, to secure the maximum possible financial commitment from Britain—the second biggest net contributor to EU funds—in order to avoid huge holes opening up in the EU budget; and thirdly, to lay the basis for a future relationship that would continue to bind Britain to the EU Single Market and some kind of customs union, with easy access to Britain's markets for EU exports and capital—while seeking a level playing field between the largely unregulated City of London and the financial centres of Frankfurt and Paris.

Already weakened by Tory divisions, Brexit secretary and chief negotiator David Davis capitulated to this agenda almost immediately, having talked tough over the summer, demanding early discussions on a free trade agreement that would also resolve any problems of a 'hard border' in Ireland.

There then followed four months of leaks, threats, grandstanding and stonewalling from Barnier and his 47-strong team who, assisted by the pro-EU media in Britain, portrayed Davis and his side as opaque, indecisive, unreasonable and inflexible.

All Tory government proposals on equal residency and citizenship rights for were rebuffed by the EU side, which demanded more detail while insisting on ECJ jurisdiction over EU citizens rights in Britain's exit on March 29, 2019. Prime Minister May could have put Barnier on the spot by promising full rights to all EU citizens here before that date, unconditionally, and challenging the EU to reciprocate for British citizens elsewhere in Europe.

In response to EU demands for divorce alimony calculated at £52bn, then upped to

around £92bn, Theresa May flew to Florence in September 2017 and offered £18bn to cover a two-year transition period after Brexit. During this time, trade and other agreements could be reached and Britain would continue to abide by EU rules. This, together with further negotiating concessions, broke the stalemate and led to the completion of Phase One negotiations on December 8.

Agreement appeared to have been reached on residency, citizenship and associated social rights for EU and British citizens, with a time-limited role but no supreme jurisdiction for the ECJ within Britain.

A ‘methodology’ for assessing and settling Britain’s divorce bill was also agreed. This includes Britain contributing to the EU budget for two years after an exit in March 2019, together with financial commitments still outstanding after 2020 such as pension liabilities and funds for specific programmes. Estimates place the total net bill at between £35bn and £39bn. These figures are three times the £11bn public spending cuts for 2019 and 2020 announced in Chancellor Hammond’s Autumn 2017 Budget.

On the Irish border question, the Phase One report places almost all the responsibility for protecting cooperation between the Irish Republic and Northern Ireland on Britain. The British government, too, takes sole responsibility for proposing new trade and tariff arrangements between the North, South and Britain after leaving the EU Single Market and ECU, avoiding a hard border (i.e., physical infrastructure or related checks and controls on the movement of people or goods between North and South), while retaining Northern Ireland fully within the UK’s own internal market.

Where such solutions are not compatible with any future relationship between the EU and the UK, the British government must propose alternative solutions. If these are not agreed, according to para. 49 of the Phase One report, ‘the United Kingdom will maintain full alignment with those rules of the Internal Market and the Customs Union which, now or in the future, support North-South cooperation, the all-island economy and the protection of the 1998 [Good Friday] Agreement’.

Within two days, Keir Starmer was on the Andrew Marr Show, making the most of this dog’s breakfast of a deal. As the Times put it: he ‘led a co-ordinated Labour frontbench effort to soften the party’s stance on Brexit and put more distance between its position and that of the government’. This followed clear confirmation from May and Davis that Britain would be leaving the Single Market and the ECU.

When Marr asked Starmer if he thought that Theresa May’s Phase One agreement ‘means that Britain will in perpetuity stay very, very close to the Single Market and the Customs Union’, Labour’s Brexit spokesperson replied: ‘Yes. And I think that’s the right thing and I think we should hold her to that ...’

Asked whether Labour wanted a new treaty after Britain leaves the EU, Starmer replied that ‘we would start with viable options, staying in a customs union and a single market variant, which means full participation in the single market ... it’s the only way to achieve no hard border in Northern Ireland’. He agreed that he wanted a Norway-style treaty for the 21st century, which would involve making financial contributions to the EU. At the same time, he accepted that Britain would need to negotiate an exemption from the EU’s ‘free movement of people’ principle, towards some kind of ‘easy movement’ position.

Once again, Jeremy Corbyn had to try to row back from Starmer's position. On January 28, 2018, he downplayed the relevance of the 'Norway model' to Britain, emphasised the need for Britain to take its own economic decisions and declined to take a position on paying into the EU under a future agreement. In particular, he told Andrew Marr that Labour seeks 'a form of customs union' with the EU, but not membership of the ECU because Britain would not be in the EU. A vital objective would be securing 'the closest possible trading relationship with Europe', Corbyn declared, 'There has to be a tariff-free access to European markets, and tariff-free access for Europeans to trade with Britain'.

Phase Two prospects

These contradictory announcements confirm that Labour's shadow cabinet remains divided on Brexit. Starmer and his ilk are promoting an approach designed to convince big business that Labour is the party of a 'soft Brexit', which means continued and permanent alignment with the pro-business, neoliberal rules of the EU Single Market and the ECU. They seek this alignment either through membership of EFTA and the EEA or through a bespoke agreement between Britain and the EU.

Corbyn and McDonnell, on the other hand, want a harder Brexit but are not in a strong enough position to defeat Starmer and his closest allies without reigniting open civil war within the Labour Party, damaging its prospects of winning the next General Election.

Yet the main reason for winning a left-led Labour government is in order to enact the progressive policies in Labour's programme and to go further—which the ruling class and its allies are determined to prevent.

On February 26, 2018, in proposing a future customs union with the EU, Corbyn emphasised the need for such a deal to leave a future Labour government free to implement its programme for public investment, renationalisation, public procurement reform, protection of labour standards, etc. It is difficult to envisage the EU agreeing to derogations from Single Market rules on this scale. Moreover, any customs union agreement with the EU would prevent that Labour government from pursuing extensive fair trade agreements with the likes of the BRICS (Brazil, Russia, India, China, South Africa) and other countries.

The opening of Phase Two negotiations now makes it all the more urgent for the left, the labour movement and the Labour Party to develop a clearer and more consistent approach to Brexit. Above all, it needs a policy which protects and enhances the ability of a future left-led government to implement its left and progressive policies.

Ostensibly, Phase Two aims to agree, firstly, the terms of a Withdrawal Agreement encompassing a final settlement of all three main 'divorce' issues discussed in Phase One; secondly, the terms of any transitional arrangements; and thirdly, the framework for future relations between Britain and the EU.

While some of the heat has been taken out of questions of residency, citizenship and social rights, EU spokespersons have since demanded that EU citizens arriving in Britain after March 2019 should enjoy equal residency rights. Barnier and the EU will try to maintain the role and powers of the ECJ in future arrangements, including in defence of EU rules on the 'right' of TNCs to import 'posted' workers into Britain in order to undermine trade unionism and negotiated pay and conditions. Campaigns for

the free movement of people and labour play into the hands of this anti-working class agenda with its super-exploitation of migrant workers. Instead of ‘free market’ anarchy, the labour movement should be fighting for regulation, planning and trade union collective bargaining in matters of recruitment, employment and training, in the interests of all workers whatever their country of origin.

The divorce bill conceded in Phase One is extortionate enough to make even the most ruthless Hollywood lawyer blush. While Britain should honour its share of ongoing financial commitments, this should not include up to £21bn in net contributions to the EU budget in the two financial years after Brexit.

The EU will continue to try using the Irish border question as a Trojan Horse to compel Britain—or at the very least Northern Ireland—to align itself with Single Market and Customs Union rules in perpetuity. The Communist Party of Ireland has condemned the cynical use being made of this issue by the Barnier and his allies in Ireland and Britain to frustrate the implementation of Britain’s EU referendum result.

The Irish Republic’s loss of economic sovereignty makes it impossible for the London, Dublin and Belfast governments to negotiate a mutually beneficial trade agreement without border posts. Nevertheless, there is no reason why the Britain-Ireland Common Travel Area—which predates EU membership by 50 years—should not continue after Brexit, without North-South border posts. Non-Irish EU citizens arriving in Northern Ireland and Britain could be processed in the same way as non-EU citizens are at present—again, without border posts. International trade with the EU across the North-South border and across the Irish Sea could be licensed and inspected in the same way as non-EU trade is at present—without border posts. The EU and Britain could negotiate special arrangements to exempt UK-Irish trade from any post-Brexit tariff regime, but the EU Commission and other member states might object that this would allow privileged access of British and Irish exports to each others’ markets (as well as adding to ‘country of origin’ problems).

The EU has responded positively to the British government’s proposal for a two-year transition period after March 29, 2019. But it also insists that this can only be on the basis of Britain’s continued subjection to EU treaties, rules, institutions and budgetary obligations—implementing new EU policies but with no further participation in EU decision-making. Because the EU Council of Ministers and EU Commission refuse to begin formal talks on a trade agreement until after Brexit day, at least some of the transition period will pass without people and their companies, institutions, etc., knowing what new arrangements they should be preparing for.

By the time any transitional arrangements are in place, Labour could be in office. If Britain remains aligned with EU Single Market or Customs Union rules, a Labour government will either have to abandon or dilute many of its most progressive policies, or put itself on a collision course with the EU. The latter would mean confronting other governments in Europe, the EU Commission, the ECJ and the ECB at the same time as taking on the ruling class in Britain and its allies.

A Labour government is even more likely to take office before the conclusion of negotiations on Britain’s future relationship with the EU.

This raises vital questions for the left, the labour movement and the Labour Party: what kind of transitional arrangements, if any, should be negotiated with the EU in Phase Two? What kind of ‘framework’ should be sought for Britain’s future

relationship with the EU?

Two ‘Brexit’ options from the right

At the moment, political debate in Britain is dominated by only two approaches to these questions—both of which are reactionary in their aims.

One is the ‘soft Brexit’ favoured by the majority section of the ruling class in Britain, its Labour and TUC allies and by most monopoly capitalists and their political representatives in Germany, France, Italy, Spain, Belgium, the Netherlands and Ireland. How it can be achieved remains a matter of debate and negotiation.

Problems remain to be resolved over the free movement of people, ECJ jurisdiction, trade sovereignty, the Irish border, financial regulation and City of London access to EU facilities (notably easy ‘passporting’ into the Eurobond market) once a transition period expires. The most likely form of ‘soft Brexit’ appears at present to be the kind of transition arrangements proposed by the EU, followed by bespoke agreements that provide for free trade, free movement of capital, the right of establishment and qualified free movement of workers, with limited or shared jurisdiction for the ECJ. The City may be admitted to a slightly more regulated EU market in financial services, although EU representatives have been adamant so far that they will not agree to separate agreements for any single sector of the economy. Continuing cooperation in matters of education, science, security and military affairs is less contentious.

Of course, there are competing monopoly capitalist and political interests within the EU and its member states, despite the front of monolithic unity being presented by EU leaders and the pro-EU media. Some of these sections will be more prepared to compromise on particular issues than others, opening up the possibility for divisions in EU ranks coming to the fore during Phase Two.

Almost any type of ‘soft Brexit’ might mean that large parts of the EU Withdrawal Bill, which transfers many pro-big business EU rules, directives and ECJ rulings into British law, will not be repealed. Instead, they will be reaffirmed and enforced.

The other scenario is a either no transition agreement or no permanent alignment with EU rules and institutions at the end of it. This, together with extensive measures of deregulation (including the repeal of transferred EU legislation on employment rights, health and safety, consumer protection and environmental standards), combined with CETA-style (or ‘CETA-plus’) free trade agreements with the USA, China, India, Turkey, the Commonwealth countries, etc., is the kind of ‘hard Brexit’ supported by right-wing maverick Tory MPs and their hedge fund backers in the City.

This perspective has lost ground within Tory and business circles since EU negotiations began, although some modified elements of it may have to be accommodated when it comes to free movement of people, trade sovereignty and ECJ jurisdiction in order to preserve a degree of Tory Party unity.

A ‘people’s exit’ from the left

The labour movement needs to formulate and unite around its own agenda for a third ‘workers and peoples Brexit’ option. But this can only be based on clarity about two things.

Firstly, the sovereignty of the people must be respected. Seeking to overturn the decision of the 2016 referendum before it has been implemented is a profoundly dangerous, anti-democratic course. There is no reason why a second referendum would be more valid than the first or, for that matter, a third. It would poison the EU question for a generation without settling it and—just as UKIP and the BNP are in disarray or dissolution—provide the biggest boost imaginable to those nationalist, racist and xenophobic forces that once gathered around them.

Secondly, there must be clarity about the class character of the EU and its Single Market. The EU has been constructed to serve the interests of the capitalist monopolies, not those of workers and their families.

Access to the European market is vital, but it does not require membership of the EEA or a customs union or an FTA which perpetuates Single Market rules and ECJ jurisdiction.

Likewise, low or no-tariff trade with the EU would be desirable, not least to protect jobs in Britain that rely heavily upon it at present. But this objective should be pursued without giving up the freedom to create or protect jobs through public investment, government borrowing, state aid, public ownership, the direction of capital, fairer procurement rules, new international trade deals and emergency selective import controls.

It should not be forgotten that the EU Single Market has been a major destroyer of jobs as well as a creator. The free movement of capital, goods and labour; the right of establishment; liberalisation and competitive tendering directives, etc.—all have enabled TNCs to close workplaces, relocate production and undercut jobs across Europe. Preventing EU member states from making their own bilateral trade agreements has restricted the creation of new jobs. Troika austerity programmes have destroyed millions of public sector posts in different European countries.

Fortunately, sections of the labour movement are abandoning previous illusions about the EU, its Single Market and the myth of a ‘Social Europe’. The Scottish TUC and the Labour Party in Scotland have been moving towards this position. At its 2017 delegate conference, the GMB (Britain’s third biggest union) decided to oppose membership of the EU Single Market. They understood that the EU’s neoliberal fundamentalism is designed to maximise profits in the interests of capitalist shareholders—not to maximise employment, wages and pensions in the interests of workers.

Any FTA that is negotiated instead should at the very least allow for emergency measures to be taken to curb an outflow of capital or to limit imports if they threaten the existence of a vital strategic industry such as steel. Nor should any FTA contain clauses which hand jurisdiction to the ECJ, prohibit state aid to industry, inhibit nationalisation or block other measures that a left or progressive government in Britain, Scotland or Wales might need to take in the future. Disputes between the parties to an FTA should be settled by negotiation between them, not through a disputes resolution procedure or mechanism that permits TNCs to take democratically elected governments to task for carrying out their legitimate policies.

A limited FTA that provides for no-tariff trade might be preferable to trading with the EU under WTO rules, tariffs and quotas and all. But the latter would be preferable to an FTA which perpetuates alignment with EU Single Market and

Customs Union rules.

This is only one of the fields in which the labour movement needs a wider, genuinely internationalist outlook which goes beyond the EU, its Single Market and ‘Fortress Europe’.

Importing workers from the Third World and herding ‘posted’ workers around Europe to be super-exploited is the predatory internationalism of the bosses. Outside ‘Fortress Europe’, a left or progressive government in Britain would be free to pursue an enlightened, generous and fair immigration policy, while assisting developing countries to retain and deploy their own workers in the interests of their own economy. It could end the current discrimination in favour of EU citizens and introduce a more humane regime for refugees, asylum seekers and separated families.

There is a universe outside the EU. Most of the world’s countries, including six of the ten biggest economies (seven counting Britain), manage without EU membership or Single Market alignment. Britain has beneficial relations of many kinds with almost all of them, including through participation in more than 70 international organisations such as the Council of Europe and its European Court of Human Rights (to which the ECJ has blocked EU affiliation), the Organisation for Security and Cooperation in Europe, the UN, UNESCO, the World Health Organisation, the IMF, the International Labour Organisation and—more effectively after leaving the EU—the WTO. Nor is there any valid reason why close cooperation with the EU in areas such as international travel, education, science, environmental protection and anti-terrorism security—including through Interpol—should not continue.

The EU commands a decreasing proportion of Britain’s exports (44% and falling) and inward investment (down to 19% compared with 55% from the US and 22% and rising from the Far East). Free from EU rules and their barriers against the outside world, Britain will have fresh opportunities to conclude new arrangements with other countries and regional blocs.

British expertise in education, science, technology and engineering (notably in aerospace, electronics, mechanical equipment, energy conservation and environmental protection), as well as in administration and governance, is in considerable demand overseas, not least in China. The labour movement should campaign for policies to make these the main basis for future economic development, rebalancing the British economy away from its over-reliance on the financial sector, property, marketing and armaments.

This is the kind of forward-looking perspective that Britain’s labour movement needs to adopt. It’s the real alternative to the ruling class and right-wing Brexit options, and to the Dad’s Army Private Frazer ‘We’re all doomed!’ approach of some in the labour movement. It should also go hand in hand with strengthening links with the working class movements and the left in the rest of Europe.

Finally, there is the question of peace, without which none of these economic and social matters amount to a hill of beans.

Far from being a force for peace, the EU has developed its own military dimension since the 1997 Amsterdam Treaty. Its military-political apparatus now includes the EU Institute for Security Studies, the EU Satellite Centre, the European Defence Agency and the European Operational Rapid Force (the nucleus of EU armed forces). Within months of Britain’s referendum verdict, French and German defence ministers

were circulating proposals for new EU military structures, with Commission president Juncker supporting their call for the establishment of permanent EU military headquarters.

The Treaty on European Union commits EU member states to rearmament and to a Common Security and Defence Policy that will ‘contribute to the vitality of a renewed Atlantic Alliance’ (Protocol 10). In tandem with NATO, the EU has expanded across eastern Europe and into the Baltic states and former Soviet republics to the borders of Russia.

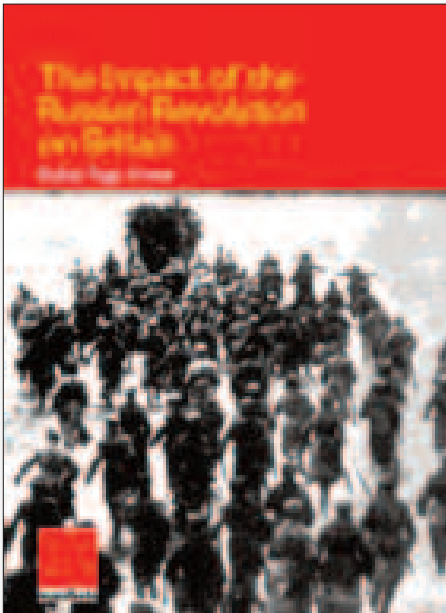
The original intention to establish a United States of Europe with its own military and political as well as economic dimensions has returned with a vengeance.

That may be the best reason of all for Britain’s labour movement to say:

**For a people’s exit from the big business EU!
Yes to international solidarity and cooperation!
Clear the way for a left-led Labour government!**

Glossary

CBI	Confederation of British Industry
DUP	Democratic Unionist Party
EC	European Communities
ECB	European Central Bank
ECSC	European Coal and Steel Community
ECJ	European Court of Justice
ECU	European Customs Union
EEA	European Economic Area
EEC	European Economic Community
EFTA	European Free Trade Association
EMU	Economic and Monetary Union
EU	European Union
FTA	Free Trade Agreement
GDP	Gross Domestic Product
IMF	International Monetary Fund
NATO	North Atlantic Treaty Organisation
OECD	Organisation for Cooperation and Development
PLP	Parliamentary Labour Party
SEA	Single European Act (1986)
TEU	Treaty on European Union
TFEU	Treaty on the Functioning of the European Union
TNC	Transnational corporation
WTO	World Trade Organisation



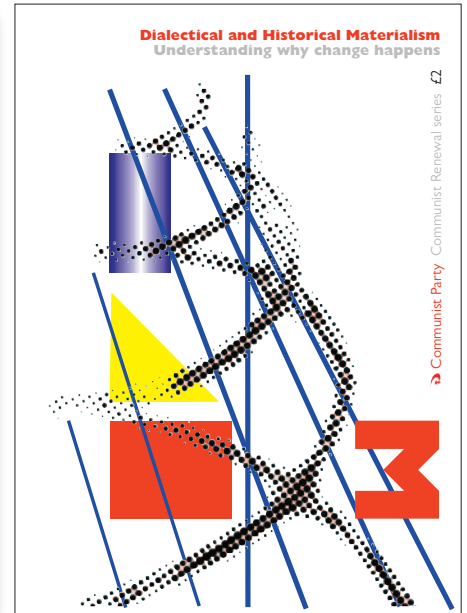
▲ **The Impact of the Russian Revolution on Britain**

This book was originally published in 1967 for the 50th anniversary of the Russian Revolution. Robin Page Arnot was a foundation member of the Communist Party. His book is the most authoritative account of the impact of the Russian Revolution on Britain. £10 €11



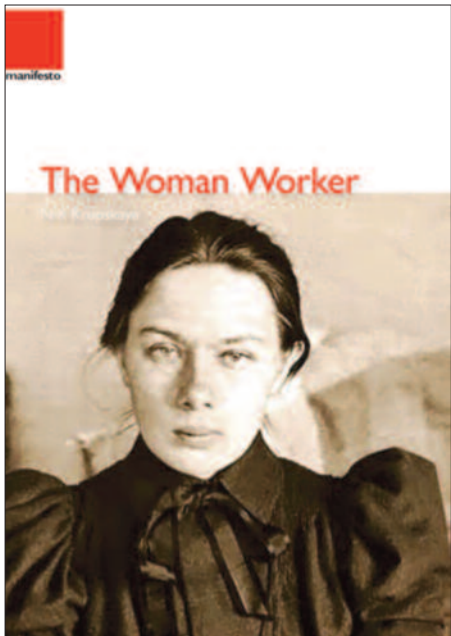
▲ **communist review**

Winter 2018
 Women and the Russian Revolution
Mary Davis
 Appeal by the 19th Meeting of Communist & Workers' Parties
 Socialism is real freedom
Gennady Zyuganov
 October Revolution Centenary
Liu Qibao
 Build workers' power
Eugene McCartan
 Brexit Phase One under fire
 Marx's Das Kapital, part 2
Robert Griffiths
 Culture Matters Soul Food
Mike Quille
www.communist-party.org.uk/shop/



▲ **An introductory course on Marxism**

A basic course in marxist philosophy. This publication is dedicated to the memory of Kevin Halpin (1927-2017), the outstanding workers' leader, chair of Liaison Committee for the Defence of Trade Unions. £2 €2



▲ **The Woman Worker** was Nadezhda Krupskaya's first pamphlet, written in Siberia where she had joined Lenin, following their arrest in 1896 and sentencing to three years internal exile. It was the first work by a marxist on the situation of women in Russia. £3.50 €4

Jeremy Corbyn

"The Morning Star is the most precious and only voice we have in the daily media"
 £1 weekdays, £1.50 at weekends.
 From newsagents or online at www.morningstaronline.co.uk

