Fuel price protests spread across Europe

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Growing anger over soaring fuel prices has prompted a wave of strikes and demonstrations across Europe that is fast becoming a major political crisis for the European bourgeoisie. After fishermen in France went on strike, their counterparts in Portugal, Spain, and Italy began indefinite nationwide work stoppages on May 30 to protest against soaring oil prices. Truck drivers, farmers, taxi drivers and ambulance workers across the continent also staged protests.

The rapid increase in oil prices internationally has affected industries such as fishing, trucking, and agriculture as well the life of ordinary people around the world. Over the last five years, average prices per litre have increased by between 50 and 100 percent in most parts of Europe.

The French fishermen's strikes lasted for more than two weeks in May. Fishermen in Spain, Italy and Portugal called for an indefinite strike last week, demanding government action to bring down fuel prices and grant subsidies to bridge the gap between high fuel costs and low prices for fish. Fishing employs some 400,000 people in the EU and is particularly important in Spain, France, Italy and Portugal. In France the cost of a litre of shipping fuel has risen from €0.45 to €0.70 in six months.

Though the French government has agreed to grant temporary fuel subsidies to get fishermen back to work, they continued their protests on Friday as a sign of solidarity with their European colleagues. Oil refineries and storage facilities at Fos-sur-mer were occupied by fishermen on Friday. Fishermen in Arcachon, Cherbourg, and Saint-Brieuc have voted to continue strike action.

On May 30 in Spain, which has the largest fishing fleet in Europe, trawlers and larger commercial boats remained docked across the country; 5,000 demonstrators converged on Madrid and handed out 20 tons of fish for free. The Associated Press wrote: "The Spanish fishing confederation—which comprises 1,400 fishing companies employing 20,000 workers—says the crisis is the worst in a century. It estimates fuel prices have gone up 320 percent in the past five years and claims many fishermen can no longer afford to take their boats out."

"People can't take it any more and are protesting because governments and the (European) Commission are not taking action," Javier Garat, the secretary general of the Spanish fishermen's federation Cepesca told Reuters. "In the next two weeks, I'm convinced that there will be a widespread stoppage. I expect that the European fleet will be tied up for the next 15-20 days."

In Italy, thousands more fishermen went on strike, shutting down the industry on both of Italy's coasts. Nationwide 2,000 fishermen, or roughly a third of the national total, took part in the strike. One fisherman told Italian television: "If we don't get any results it will be open war. We are tired, we are tired of working 80 hour weeks without earning a penny."

In Portugal, the large majority of fishermen went on strike. "Not a single boat has gone out," Antonio Macedo, leader of the national federation of fishing unions, told Agence France Presse.

The newly-formed Vigilance Committee of French Fishermen announced yesterday that French, Italian, Spanish, and Portuguese fishermen would travel together to demonstrate in Brussels on Wednesday and demand that EU authorities keep the price of shipping fuel at €0.40 per litre. The Committee's spokesman, Alain Rico, told *Le Nouvel Observateur*: "The Italians and Portuguese have agreed to it, the Spanish will confirm on Tuesday but they agree in principle. We have launched an appeal to all French ports for boats to stay docked or return to port, and for crews to travel to Brussels."

Demonstrations against costly fuel are rapidly spreading beyond the fishing sector, to include farmers and drivers in trucking and public transport. In France, farmers blocked oil depots all over the country last week, including those near Toulouse, Sète, Frontignan and Marseille. Thousands of farmers demonstrated in Lille on May 28. The oil depot in Villette-Vienna and two depots south of Dijon remained blocked yesterday by farmers, after riot police used tear gas and baton charges to clear blockades erected by farmers at the Toulouse depot and

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by fishermen at the Fos-sur-mer facility.

As with fishermen, dairy farmers throughout Europe are on strike. Their basic complaint is the same as the fishermen: they are trapped between high energy costs and low prices paid by supermarkets and other food retailers. There was panic buying of milk as farmers in Germany, Denmark, Holland, Belgium, and France fed their milk to calves or sprayed it over their fields as fertilizer, to protest low prices for milk.

One German farmer told the British *Guardian*: "Our production costs are rising all the time. If we don't want to incur losses, we need to be receiving at the very minimum €0.33 per litre, but in spite of rising costs for feed, fertiliser, and energy, we're getting only €0.30."

Truck and taxi drivers have staged protests in several countries with more strikes planned in coming days. On May 27, Hundreds of British truck drivers blocked streets in central London, demanding government help over rising fuel prices. French truck drivers staged a "go-slow" demonstration on major highways near Paris and in other parts of the country last week. Truck, bus, and taxi drivers held protests in Bulgaria and blocked the main ring road around the capital, Sofia.

Bitter disagreements have emerged inside the EU over how to deal with the crisis, as several governments directly hit by protests have made calls for Europe-wide action to combat price increases. On May 27, Portuguese Economy Minister Manuel Pinho called for an emergency debate on fuel prices at the EU.

On the same day, French President Nicolas Sarkozy gave an unusual, hour-long morning interview on RTL radio and proposed an EU-wide reduction in value-added taxes (VAT) on fuel. He faced sceptical questions from the interviewers, who pointed out that this would cut a major source of state revenue—at a time when France faces criticism inside EU for its budget deficit, which will not be balanced until 2012, as opposed to 2009 as Sarkozy initially promised.

This proposal met firm opposition from other European governments, especially those less affected by the strikes. The Slovenian government, which currently holds the rotating EU presidency, refused to call an emergency meeting as requested by Pinho. Austrian Finance Minister Wilhelm Molterer warned of the long-term effect tax cuts would have on state revenues, asking: "What will you do when prices fall again, reintroduce the tax? I'd like to hear the political discussions then!"

The European Commission noted that tax cuts would signal to oil-producing countries and oil companies that European states were willing to absorb rising gas prices by cutting taxes and running higher budget deficits. Its spokesperson said: "Modifying the fiscality of fuel to fight the rise in oil prices would send a very bad signal to oil-producing countries. We would be saying that [they] can raise oil prices and this will be paid for by the taxes of Europeans. This would, in principle, be a very bad signal that we do not want to send."

At stake is the global division of the massive revenues generated by fuel sales in Europe. Currently, the lion's share of these revenues goes to European governments, who collectively raise hundreds of billions of euros in fuel taxes. In the UK in 2007, fuel taxes raised £30.5 billion and accounted for 68 percent of prices at the pump. In France in 2006, taxes accounted for 70 percent of fuel prices at the pump and raised €33.2 billion, or 13 percent of the national government's revenues. Gasoline is taxed as heavily or more in most other countries of the euro-zone: €602.3 per kiloliter in France, versus €564 in Italy, €654.5 in Germany, and €664.9 in the Netherlands in March 2008.

An agreement by European governments to cut taxes would potentially leave oil markets the option of further jacking up prices, thus distributing revenues away from the European governments and towards oil company profits and the revenues of oil-producing countries. Oil companies are already realizing record profits thanks to high prices—with British firms Shell and BP realizing an extraordinary £7.2 billion in profits in the first quarter of 2008, and France's Total announcing €3.6 billion in profits over the same period.

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