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JOURNAL OF THE CPBML

TAKE CONTROL: BUILD THE NEW BRITAIN

WORKERS

The battle is only just beginning

FINALLY, MORE than three-and-a-half years since the referendum, Britain is going to leave the EU. In principle, we leave at the end of January. That is the clear result of the general election on 12 December.

All the schemes, the arrogance, the contempt for democracy of the diehard Remain campaigners, have come to nothing, squashed by the vote of the people – as happened in 2016.

Was the election really all about Brexit? John McDonnell, reluctantly, acknowledged, "people did want to get Brexit done". But it was actually about something deeper: democracy. When the people voted Leave, they – and millions who voted Remain – expected the decision to be respected.

And the opposite happened. The Liberal Democrats went into the 2019 election calling for a repeal of the Article 50 decision without even a "people's vote". Labour offered a choice between staying in the customs union and the single market and dynamic (automatic) alignment with EU laws on the one hand, or simply staying in the EU on the other.

That was no choice at all, and on 12 December they had their "people's vote", their second referendum. Millions turned to the Conservative Party and, in significant but lesser numbers, the Brexit Party. Not because they have love either party, but because if they were determined to vote again for British independence they had nowhere else to go.

Even so, turnout was down on 2017. And down even more – around 5 per cent or 2 million voters – on the 2016 referendum, probably because many were too disgusted to enter a polling station.

Leaving on 31 January is, though, just about the only thing that is clear. For then the "transition" will begin, during which the government and the EU will attempt to reach a full leaving agreement. And during which Britain will be subject to all new EU law but have no say in its making.

The election has shown that when the people want to, we can consign political leaders and media darlings to the dustbin of history. We can create governments and destroy them.

But in the coming period we are going to have to do much more. It won't be good enough to see what final deal comes up and then punish or reward one party or the other in five years' time. To win Brexit, we the people must assert our own sovereignty, our own control.

Despite the election, most MPs still do not truly believe in an independent Britain and would really like some form of BRINO, Brexit in Name Only – and in the case of the SNP divide Britain (see article, page 4). Most Conservative MPs backed Remain in 2016, and despite the 2017 and 2019 elections that majority is still there: a fifth column in waiting.

That's why parliament must be overwhelmed by the people's desire to leave in a way that restores independence to Britain. The fight is not over, not by a long chalk. The battle – the real battle – for an independent Britain is only just beginning. ■

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Guards' action continues

TRANSPORT UNION RMT's campaign to keep guards on trains continues to grind on, with another employer capitulating in the face of determined and resolute industrial action.

West Midlands Trains runs services around Birmingham as well as on the West Coast Main Line between Liverpool and Euston. After several days of solid strikes boosted by the refusal of many Aslef drivers to cross picket lines, the company has caved in with an offer that allowed the RMT on 5 December to suspend action and ballot its members on the deal.

The battleground has now shifted to South Western Railway, where RMT guards and drivers took strike action for most of December. SWR runs services out of London Waterloo covering south west London, and running to Portsmouth, Southampton and Exeter.

SWR has so far taken a hard line, enabled and encouraged by the government, which so far has compensated the company to the tune of £86 million for losses incurred from the industrial action, according to parliamentary answers and rail bosses' reports to investors.

RMT General Secretary Mick Cash slammed Secretary of State for Transport Grant Shapps for engineering the month-long strike for blatant political purposes. "Fat cat rail bosses won't lose a penny and have no incentive to settle. This is an astonishing political intervention by the government during the general election that deliberately politicises and prolongs this dispute," he said.

As the government has made it harder and harder for trade unions to take industrial action, the RMT is now forced under the 2016 Trade Union Act to re-ballot members to confirm that they support continuing industrial action. This will be the sixth ballot.

And transport unions face further hurdles. The first announcement from newly elected Prime Minister Johnson was that he will "ban all out strikes on the railways", forcing unions to run a minimum service in disputes. ■

MEDIA
Protecting standards

WITH JOURNALISTIC standards under attack from politicians of all parties, and often undermined from within the profession by blatant political bias, a Bristol newspaper took a stand in December against attacks on the integrity of one of its reporters.

Adam Postans, a journalist working for the *Bristol Post*, had clearly been annoying local councillors with his straight reporting. And when he attended a council meeting, the mayor and cabinet members went out of their way to humiliate him in public.

In response, the *Bristol Post* devoted two pages to supporting him (see www.bristolpost.co.uk). It's a heartening sign. Professionalism and integrity are two qualities which are sorely needed in the ongoing struggle for our independence. ■

TAX AVOIDANCE
GMB's Amazon protest

AMAZON'S LONDON HQ in Shoreditch was the target of a demonstration on Monday 2 December organised by GMB.

The union estimates Amazon should have paid £103 million corporation tax last year. In fact, the company's biggest UK arm paid just £14 million on £2.3 billion worth of sales.

The missing £89 million could pay for 5,800 teaching assistants, 4,400 carers, 2,300 nurses, or 1,700 paramedics for a whole year, says the union.

A similar event took place outside Amazon's Bristol distribution centre. ■

If you have news from your industry, trade or profession call us on 07308 979308 or email workers@cpbml.org.uk

ON THE WEB

A selection of additional stories at cpbml.org.uk…

Deepening housing crisis in Manchester

The housing crisis sweeping Britain shows no sign of abating. Its effects are to be found all over the country, not least in the much-vaunted "Northern powerhouse" of Manchester.

High Court overturns 97 per cent vote for postal workers' strike

More state interference in trade unions. The High Court has handed down an injunction against the postal workers' strike which had been due to begin in December after an overwhelming majority of members voted for it.

Scottish union campaign hears from Irish anti-EU campaigner

The Unite HQ in Glasgow was the setting for a trade union meeting involving current and former officials of the RMT union and others that heard from Anthony Coughlan, a veteran of decades of struggle against the EU in Ireland.

The truth about the Irish economic 'miracle'

A new pamphlet shows how the Irish government uses a financial flag of convenience to undermine the tax bases of other EU nations, notably Britain, France and Germany.

Plus: the e-newsletter

Visit cpbml.org.uk to sign up to your free regular copy of the CPBML's electronic newsletter, delivered to your email inbox. The sign-up form is at the top of every website page – an email address is all that's required.

Workers

RMT demonstration against Serco and privatisation, Glasgow, September 2019.

Separatism's failure

DESPITE THE INCREASE in their number of MPs, the Scottish National Party still does not command the support needed to win the second Scottish independence referendum it craves. The non-party political campaign Scotland in Union has pointed out that 54 per cent of votes in the December election in Scotland went to pro-UK parties. Together with polling data, it would suggest that separatism would again be defeated in such a referendum.

Nevertheless, the danger of a break-up of Britain remains. The SNP are now preparing the legal groundwork for a demand to the British Government for this referendum. Separatist marches and rallies are being planned beginning in Glasgow on 11 January.

As they focus on these goals, there is growing disquiet over their neglect of the "day job". Workers from the Caley railway engineering works in Glasgow – which closed recently, ending 150 years of a rail industry – confronted SNP First Minister Nicola Sturgeon as she campaigned for re-election. EU state aid rules were cited as a reason for turning down assistance to the site. Mick Hogg of the RMT called it "industrial vandalism".

Controversies over shipping and ferry services continue to stalk this SNP minority administration. Their Private Finance Initiative deal with Lloyds Banking Group has resulted in a final bill of £90 million to buy out the "superferry" originally priced at £43 million, that serves the essential Ullapool to Stornaway route.

After failing to support, and then taking over, Ferguson Shipbuilders in Port Glasgow, the administration still failed to commission new vessels needed for the shipping lanes around the Western Isles.

The *West Highland Free Press* (sub-titled "the UK's first employee-owned newspaper") commented on the publicly owned CalMac suing their SNP owners: "Following legal action by CalMac, transport minister Paul Wheelhouse has been obliged to suspend awarding the Northern Isles contract to his preferred bidder, Serco (a private company). Both the defendants in that action will pay their legal fees with public money."

Serco remains a prime target for the RMT union's campaign against privatisation in the industry. ■

NHS

Transfer plan stopped

UNISON, GMB and Unite members have stopped plans by a major acute NHS hospital in Berkshire and Surrey to transfer more than a thousand of its staff from direct employment with Frimley Park Foundation Trust to a wholly owned subsidiary, moving porters, security guards, cleaners and catering staff out of NHS employment, and onto non-NHS terms and conditions with no access to the NHS Pension Scheme.

Members of all three unions were due to strike for 48 hours from Monday 19 November, but Unison called off the strike after the Trust backed down and agreed to talks. GMB and Unite, the smaller unions, continued their strike.

Successive governments encouraged the tax dodge of the wholly owned subsidiary, but recently many NHS trusts have realised the damage that outsourcing jobs has done and brought contracts and jobs back in-house. Frimley, a "model" trust, tried to swim against the tide, but has been stopped. ■

STEEL
Plant to be mothballed

TATA STEEL has announced that it will mothball its ORB steelworks in Newport, rather than close it.

Unions at the Welsh site have persuaded Tata that there is a stronger case for new companies to take over if the plant is properly maintained over the coming period. 380 jobs were thought to be at risk, but, due to union efforts, workers will now be redeployed to other parts of the business, including Port Talbot.

At the time of going to press, multinational steel manufacturer Liberty Steel, which already has a plant in Newport, has expressed an interest in acquiring the Orb site, which makes electrical steel used in power transmission and the car industry, and which would complement its own interest in construction and automotive manufacture. Tata estimates it would cost £50 million to upgrade the Orb works to allow it to produce the type of electrical steel needed for electric cars.

US company Big River Steel is also interested in the site, but as it is primarily a technology company, it would need another company to run it.

A new buyer could well be the trigger needed for government investment, and a lifeline for a steelworks which has been part of Newport's industrial life, in one form or another, for 120 years. Burdened by the highest power costs in Europe, it must have competitive pricing for its energy needs. ■

Kzenon/shutterstock.com

More worries over free schools

FRESH CONCERNS are being expressed over the government's free schools programme, established in 2010. To date, 27 free schools have been forced to close or change management, according to an analysis published on 8 December by the *Sunday Times*.

The flagship programme was launched amid a fanfare about enabling parents, teachers and community groups being freed to start up their own schools in areas of need. Yet free schools have mainly been opened where there is no urgent need for places, leaving areas of the highest educational disadvantage and those desperate for new places high and dry.

Of the 22 new free schools approved in June 2019, all were opened by academy trusts which were already established with a number of schools. None was from parents. Many of the trusts have plans for rapid expansion, despite cautions against this from Ofsted and government itself, due to experience of resulting poor performance.

The analysis reveals that free school closures have led to over 1,000 pupils having to find new places quickly and with great difficulty, some in the middle of GCSEs. The number of closures has risen, with 16 in the past two years compared with six in the previous two years. There were a number of early embarrassing failures too, such as the first Muslim free school, Al-Madinah in Derby, judged by inspectors as "dysfunctional" and closed in 2014.

Of the 507 which remain open, the analysis says a third are only half full. Kent, which has 11 applications in the pipeline, already has spare school places. The confusing array of schools includes university technical colleges and studio schools (teaching workplace skills), which are also defined as free schools. Of the 48 studio schools opened under the scheme, half have shut. A quarter of the 63 technical colleges opened since 2011 have shut or been taken over.

This expensive programme has been funded generously in a period of severe cuts to local authority schools. The National Education Union says that since 2010-11 £300 million has been spent on failed free schools. Now is a good time for a new government to put our money where it can provide good value. ■

WHAT'S ON
Coming soon

JANUARY

Tuesday 14 January, 7.30pm

Brockway Room, Conway Hall, Red Lion Square, London WC1R 4RL

CPBML public meeting: "Brexit: From ideas to action"

We cannot rely on politicians to keep Brexit on track. A special discussion meeting, this event will be different from the usual CPBML public meetings. It will be designed to maximise discussion and participation from the audience, and come up with ideas for action. Free entry. All welcome.

MARCH

Tuesday 3 March, 7.30pm

Bertrand Russell Room, Conway Hall, Red Lion Square, London WC1R 4RL

CPBML public meeting: "How to protect the environment (and why the EU makes things worse)"

What needs to be done to protect the environment? Is there any truth in the assertion that the EU protects it? Come and discuss. All welcome. Free entry.

The referendum vote in 2016 continues to dominate politic expansionist plans have been brought to a juddering halt.

The weakness at the he

Juergen Nowak/shutterstock.com

29 November 2019: German farmers take to the streets of Berlin.

THE CONSERVATIVE victory in the 12 December general election has paved the way for intensive negotiations on Britain's departure from the European Union. It is now dawning on people that only the barest bones of that agreement are laid out in the Withdrawal Agreement and the Political Declaration negotiated by Boris Johnson.

But what has been agreed already is worrying enough – including concessions on fishing quotas (see page 17), and a plethora of "level playing fields" that would tie us to current and future EU regulations.

Already, the EU is making clear where it will be making its demands. First will be the "rights" of the 3.5 million citizens of EU member states living in Britain. Brussels will want their special status to be enshrined in law and continued in perpetuity.

Just as importantly, what the news website politico.eu calls a "new mantra" is emerging: the EU wants no tariffs, no quotas (except in fishing!), as few checks as possible, and all on the basis of "minimum standards" (Irish PM Leo Varadkar's words) on a host of issues, including rules on state aid.

It's being widely said that Johnson will have to make many concessions if the transition period is to end, as he says he wants, at the end of 2020. What's more, he would have to make these concessions quickly, as any decision on extending the transition period must be taken by 1 July 2020.

Desperate

The voices of doom and defeatism start from the principle that Britain is weak and the EU is strong. What a strange notion! In fact the EU is desperate for a deal, for an end to Brexit uncertainty.

A government in Britain determined to secure independence should be looking at the chaos and fragility in the EU and seeing how weak that bloc is – and how to take advantage of that weakness.

Yet the establishment purveys the myth that the EU is all-powerful and that Britain is insignificant. In the coming period, Leavers' groups around the country will need to be hammering home the message that the advantage lies with us. We don't need to compromise on independence.

At the heart of the EU's problems is money. The political power it has depends entirely on its ability to dispense billions of euros to its clients. This power is now under threat.

A large part of the reason for this is Brexit. Without certainty on how much (if

'Brussels simply doesn't know how much money it has to play with…'

s not just in Britain but also in Brussels. The EU's Time, then, to step up the pressure……

eart of the EU

anything) Britain will hand over to the EU, Brussels simply doesn't know how much money it has to play with.

On top of this the entire Eurozone economy is stagnating. The European Commission's own financial forecast, published in the first week of November 2019, is for growth of around 1 per cent for the next two years.

With a static economy, and budget contributions determined by reference to Gross National Income (an updated form of Gross National Product), belts are going to have to be tightened. But how far? The answer is, the eurocrats don't know.

The timing of all this couldn't be more difficult for the EU. In May 2018 the European Commission published its proposed budget, totalling €1.14 trillion over the six years. The Commission said then that it expected final agreement by the European Parliament elections in July 2019.

The end result is that the EU has been unable to decide on its seven-year Multiannual Financial Framework – called the MFF – which runs from 2021 to 2027. That is crucial, because the MFF sets out the parameters not just of the main strands of the EU budget but also sets in stone the level of contributions that each member state is obliged to make.

Blockage

And because of Brexit – because Britain is leaving, along with its huge contribution to EU finances – nothing can be settled. Nor does it seem likely that anything will be agreed until the second half of 2020 (at least), when Germany takes over the rotating presidency of the European Council.

The delay matters, because without a budget for 2021 onwards announced months before it starts, the new programmes cannot hit the ground running. Researchers looking for grants won't know whether they will be funded.

Worse, they don't even know who they will be able to collaborate with. The EU has frozen all negotiations with Switzerland while it seeks to settle with the UK, including over Swiss participation in Horizon Europe, the upcoming research programme. And the terms of possible UK participation in the programme have still to be agreed.

In agriculture, farmers won't know until the budget is set how much they will be getting, or even (given reform plans announced in 2018 but still not agreed) how the subsidy system will operate.

Agriculture currently receives around 37 per cent of the EU budget – a figure the Commission wants to cut to 28 per cent. But 19 of the EU's member states are net beneficiaries from the budget and heavily reliant on agriculture money, so good luck with that.

Talk of reducing EU grants to farmers has already brought tens of thousands of them out onto the streets of Paris, Dublin, The Hague and most recently Berlin, along with thousands of tractors.

The farmers are furious now. One report says they think they have been "thrown under a bus" by the European Commission as a trade-off to open the South American market to motor manufacturers. Imagine the fury when deep cuts are piled on to make up for Britain's departure.

The Commission wants the shortfall from Britain's contributions – estimated to be around €12 to €13 billion a year – to be made up by increased contributions from the EU's wealthier countries. In these nations, that is going down like a lead balloon. They want cuts.

In response, five of them – Austria, Denmark, Germany, the Netherlands and Sweden – have insisted that the budget should be capped at 1 per cent of Gross National Income, implying significant cuts in spending. The group even have a name: the "frugal five". A further three countries want a figure lower than the Commission's proposed 1.11 per cent.

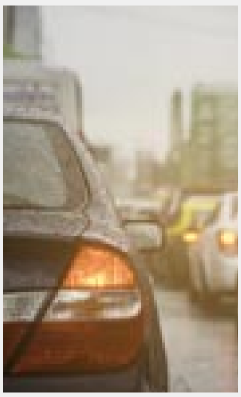
Let's remember all this when the negotiations start. ■

CPBML public meetings

London

Tuesday 14 January, 7.30 pm
"Brexit: from ideas to action"
Brockway Room, Conway Hall, 25 Red Lion Square, London WC1R 4RL

We cannot rely on politicians to keep Brexit on track. This event will be designed to maximise discussion and participation, and come up with ideas for action. All welcome. Free entry.



London

Tuesday 3 March, 7.30 pm
"How to protect the environment (and why the EU makes things worse)"
Bertrand Russell Room, Conway Hall, 25 Red Lion Square, London WC1R 4RL

It's no accident that Britain's membership of the EU has seen a decline in environmental standards. What's the way forward? Come and discuss. All welcome. Free entry.

Go to any website on personal debt and the advice is “It c an important first step.” Not so with politicians and PFI de

The toxic legacy of the F

The sign that says it all: Catalyst Healthcare is a Canadian company. Sodexo is a giant French-owned outsourcing company. Cofely is part of a French multinational utility company headquartered in Paris. The PFI scheme at the hospital trust was awarded under Labour in 2004.

THERE WAS much talk about risk of future privatisation of the NHS in the recent election campaign. But precious little about the existing privatisation in the form of the Private Finance Initiative (PFI), which continues to infect NHS and other public services.

PFI was introduced by the Conservatives under John Major, but it really took off when it was developed enthusiastically by Labour under Tony Blair and Gordon Brown. Now it’s not so popular. Yet while all political parties talk about sums of money they will “give” the NHS, none wants to talk about the toxic legacy of PFI debt.

Even a House of Commons Library research paper now describes PFI as a “controversial approach” to building and maintaining new infrastructure, such as schools, hospitals, roads and prisons. Under a PFI contract, the private company handles the up-front costs instead of the government. The project is then leased to the public. And via our taxes, annual payments are made to the private company.

The scale of PFI is mind-boggling. In 2018 the National Audit Office reported that there are over 700 operational PFI deals with a capital value of around £60 billion. Annual charges for these deals amounted to £10.3 billion in 2016-17.

Extracting the figures for just the NHS in England, the Institute for Public Policy found that an initial £13 billion of private sector-funded investment in new hospitals will end up costing £80 billion by the time all contracts come to an end. As we start the year 2020, £55 billion of that sum is outstanding.

Debt

The legacy of debt is staggering but what about the quality of the actual buildings or roads produced under this system? And what about the services which were often incorporated as part of the deal such as cleaning and catering?

There are too many reports on the poor quality of PFI buildings to include in this article. But the 2017 Report of the Independent Inquiry into the Construction of Edinburgh Schools is worth close scrutiny.

Chaired by construction expert Professor John Cole, the inquiry investigated the causes and implications of the collapse of part of an external wall at Oxgangs Primary School Edinburgh. That had led to the discovery of similar defects in the construction of the external walls of 16 other PFI schools in Edinburgh, resulting in the enforced closure of all 17 schools.

In one of its conclusions, the inquiry pointed to the likelihood of problems elsewhere: “The Inquiry is of the view that, given the widespread nature of similar defective construction across the […] projects, undertaken by bricklayers from different sub-contracting companies, and from different squads within these companies, there is evidence of a problem in ensuring the appropriate quality in this fundamental area of construction.”

And so, it continued, “the Inquiry has come to the view that, it is insufficient for

can be tough to face up to your financial situation, but it's bt…

Private Finance Initiative

public sector clients with a responsibility to protect the safety of the communities they serve, to rely solely on the quality assurance processes of contractors…"

That's slightly missing the point. The whole PFI process incites the public sector to wash its hands of its responsibilities to the communities it is supposed to serve.

To add insult to the injury of poor quality building, the National Audit Office report of 2018 describes "higher maintenance spending in PFI hospitals". This applies to routine maintenance costs built into PFI contracts, as well as costs related to poor building quality. Likewise, the privately provided catering or cleaning services come at a higher cost than in-house services.

A euro-con

John Major's government both ratified the Maastricht Treaty, which gave birth to the euro currency, and introduced the Private Finance Initiative (PFI) to our public sector. And there is a close connection between the two.

The Maastricht Treaty dictated limits on government debt and deficit as a proportion of gross domestic product (GDP). Once public spending was curtailed, governments across Europe turned to the financial sector for private investment in infrastructure, and 15 EU member states now have PFIs.

The "clever" thing about PFIs for devious governments is that since the expenditure is by companies, with repayments lasting decades, they don't count as public spending. Nor do they count as public borrowing.

From the very beginning, finance capital in the City of London saw opportunities to make profit and was keen to advocate PFIs at home and abroad. As the pressure mounted for all EU countries to join the euro, the requirement to reduce public sector borrowing increased the pressure for PFIs.

And when the Labour government came to power in 1997 the number of PFIs rose year by year. As Alan Milburn, then a Labour health minister, said in 1997, "When there is a limited amount of public-sector capital available, as there is, it's PFI or bust".

The result is that the UK now has the third highest number of what are referred to as "off balance sheet" PFIs across Europe. To fully appreciate this, you need to know that the European Union has its own unique European System of Accounts (ESA.)

In everyday speech one might call the ESA system "off the books" or "funny money", but the technical term is "off balance sheet". A helpful footnote in minuscule print on page 11 of the 2018 National Audit Office report explains it thus: "Most PFI debt is scored as off-balance sheet under the European system of accounts (ESA), which determines government debt levels. However, under the International Financial Reporting Standards (IFRS), used to report financial accounts and the Whole of Government accounts, most PFI debt is on-balance sheet."

So there you have it. In EU terms "off balance sheet" means sums which in normal accounting would be "on balance sheet". And what sums they are. Even if no new deals are entered into, future charges – which continue until the 2040s – amount to £199 billion.

A great rate of return for the private companies, an appallingly bad deal for the public sector. The worst of all worlds: PFI *and* bust.

In the 2018 Budget, Chancellor Philip Hammond announced he was abolishing the use of PFI for future building projects. This announcement is on the House of Commons website under the heading "Goodbye PFI" – it presumably doesn't do irony as we are left to grapple with the toxic legacy for two more decades.

Three vital steps

Do not underestimate the financial vultures who have enjoyed, and will continue to enjoy, the dividends of these schemes. They will surely be busy in the City of London designing other financial "vehicles" for funding future infrastructure projects. Be ready to fight a future incarnation of PFI. So that's Step 1: Be on your guard.

PFI payments are particularly damaging for some hospital trusts. For example, Sherwood Forest Hospitals NHS Foundation Trust in Nottinghamshire has a £326 million PFI deal that costs it £50.3 million a year in repayments and eats up the largest proportion of its budget of any trust – 16.51 per cent. Barts Health NHS Trust in London has the largest health PFI and spends £116 million a year servicing its debt, 7.66 per cent of its income.

'The worst of all worlds: PFI and bust…'

To fight the toxic legacy of PFI, communities, public sector workers and their unions need to understand how it directly affects their own area. It depends on where you live: PFI debt is truly a postcode lottery. That's Step 2: Find out about your local PFIs.

That leads to Step 3: There must be a demand for the government to buy out PFI schemes. It can be done. PFI deals have been paid off – for example Tees, Esk and Wear Valley NHS Trust paid off its PFI scheme in 2011 and saved itself around £1.4 million a year in repayments. And in 2011, Northumbria Healthcare NHS Foundation Trust paid off its PFI by borrowing money from a local authority, thereby saving around £67 million over 20 years in repayments.

Radical

These two contracts had exit clauses, but many PFI contracts do not. So the demand must be radical. If the government can use the Bank of England for quantitative easing, there must be a way to pay off a PFI.

The Institute for Public Policy Research sets out a range of policy options favouring an enfranchisement approach, encouraging the government to legislate against unfair contracts as in the case of payday lenders.

But report writing does not lead to action. Only an understanding among workers of the why and the how of PFIs can give birth to determined demands to deal with the situation. Have trade unions tired of the PFI battle? Maybe, but if it is eating up nearly 20 per cent of the income of your organisation how can you ignore it?

Action on this toxic legacy is more important than the exact mechanism. Each PFI is a festering pustule on the body politic and they all need picking off. It could be in one mighty blow – but in all likelihood not before a start has been made on individual PFIs around the country, one by one. ■

While university staff are forced to take industrial action t piling up surpluses – and paying big salaries to their top a

Putting profit above sta

Workers

2 December 2019: University and College Union general secretary Jo Grady addresses pickets at the University of Glasgow.

PITY THE POOR universities. Life is a perpetual challenge, and they say they are so strapped for cash that their own academic staff have seen the value of their pay plummet, according to the University and College Union (UCU). Surveys by the union suggest that the average working week in higher education is now over 50 hours.

University staff across the UK are currently fighting on two fronts: pay and conditions, and pensions. On pay they are arguing for the Retail Price Increase plus 3 per cent – a small step on the way to restoring the real-terms cut in pay of 20.8 per cent that they have had since 2009. They are also looking to establish a 35-hour working week across the country, and an end to precarious casualisation.

At the same time, the universities are demanding a huge hike in pensions contributions – up from an already extortionate 8 per cent of salary to 9.6 per cent of salary – more than wiping out the pay offer of 1.3 per cent this year (see Box).

You'd think that the universities were in dire financial straits to have to enforce such pay and conditions on their staff. But you would be wrong. According to an analysis by the UCU of the academic year 2016/17, universities made a collective surplus of £2.3 billion while raking in an increase of £931 million in student fees.

Squeezed

Staff are being squeezed while expenditure goes elsewhere. Compared with seven years ago, expenditure on staff had fallen by more than 3 per cent, while capital expenditure had rocketed, up by over a third.

But it's not all belt-tightening in academia. As a report from the Taxpayers' Alliance revealed, the number of university staff earning more than £100,000 a year rose by 10 per cent in the year 2017–2018. Almost half of vice chancellors and principals earn more than £300,000. There's clearly money around.

And while university staff are having to strike and work to rule in their fight for decent pay and conditions, universities are spending hundreds of millions (collectively, billions) of pounds in what is effectively property speculation.

Tired of their historic (and highly successful) history of being dedicated primarily to the education of young British people, many universities see their future as "global" institutions raking in vast fees from overseas students.

To see what's going on, take a trip down to west London – to the old BBC Wood Lane site in White City, Acton. Imperial College London is building on a massive scale. Much of it is good, in particular the new Molecular Sciences Research Hub at a cost in the region of £150 million.

o protect their wages and conditions, universities are
dministrators. What's going on?

ff and students

But that's just the tip of the iceberg. Alongside the research facilities it is building student accommodation. In 2015 it built Woodward Tower, to house 690 students. Now it's going bigger. It has bought a 1.8 acre site nearby and is building accommodation for a 700-bed development.

Huge rents

Who's paying for this? Well, students last year were paying Imperial an average of £175 a week for accommodation, up from £150 a week in 2015.

And there's enormous investment in Imperial's postgraduate accommodation, GradPad, in two buildings in Battersea and Wood Lane. With prices ranging from around £270 a week to upwards of £400 a week for a 51-week contract, GradPad is aimed at the lucrative East Asian student market, because the college knows that these students want a ready package of education and accommodation.

According to Felix, the Imperial College student newspaper – drawing on information derived from Freedom of Information requests – if all its GradPad accommodation is let, that would amount to nearly £300,000 a week, more than 40 per cent of the college's potential income from student rents.

Imperial is far from the only university to be playing property developer. Also in the capital, University College London (UCL) took out a £280 million loan from the EU's European Investment Bank (at undisclosed rates of interest) to finance its expansion into the Olympic site in Stratford, east London.

Uneasy at the pace of expansion, a meeting of academics at UCL passed a vote of no confidence in the college's management last year. One senior researcher at the meeting noted that as student numbers had risen, UCL's position in global university rankings had started to slide.

The university, meanwhile, says it has "no choice" but to expand student numbers – even though it has already swollen numbers from 17,000 in 2005 to 40,000 in 2018.

Across Britain there has been a rise in postgraduate students (particularly on taught courses rather than pure research degrees). Figures released by the Higher Education Statistics Agency in January last year show a leap in the number of postgraduate students on taught courses from 234,780 in 2015–2016 to 255,135 in 2017–2018. (The figures are released annually. The next set is due in January 2020.)

'So why all the wailing and gnashing of teeth from the university fat cats?'

The main reason for last year's 4 per cent rise year-on-year in postgrads, says the agency, was "an increase in enrolments from Non-European (Non-EU) students".

No one knows what the impact of Brexit might be on the numbers of students coming from the EU to British universities. Publicly, the universities are predicting disaster. Privately, they are less worried.

At least one top university that has done the maths reckons that the decline in EU student numbers will be more than compensated for by being able to charge full overseas student rates to those who do come. These range from £12,000 a year to around £19,000 a year, depending on the university.

In addition, more places will open up for students from outside the EU. In August 2019 the Higher Education Policy Institute calculated that the combination of higher fees from EU students and more students from outside the EU would lead to a net gain in income.

Intriguingly, the institute pointed to historical experience. In 1980 the Thatcher government abolished the existing subsidy for international students. Despite dire predictions, the number of international students has increased.

In the 1960s they accounted for around 10 per cent of the UK student population: 7 per cent of undergraduates and 32 per cent of postgraduates. Now it has doubled to around 20 per cent of the student population, with a big increase in undergraduates.

So why all the wailing and gnashing of teeth from the university fat cats? Could it have nothing to do with the recruitment of students from the EU, but rather to do with lecturer recruitment?

Indeed, in January 2019 The Independent reported an "exodus" of EU academics from Britain. But buried in the story was the admission from Oxford, the university with the largest number of EU academics leaving, that it had also recruited "a large number of EU staff so the overall numbers were largely similar".

Currently, about 16 per cent of academic staff in British universities come from the EU, many of them from countries where average salaries are well below those in Britain.

The number has surged in recent years, and of the 64,880 international academic staff in UK higher education institutions, 37,255 (57 per cent) come from the EU, according to Universities UK. Employment of Italians in UK higher education has risen by 50 per cent in the past five years.

Paradox

This is the likeliest explanation for the great (apparent) paradox: while university salaries for lecturers have slumped by a fifth in real terms in ten years and morale is universally said to be low (whatever that means), universities seem to have no difficulty in recruiting staff.

But it has become harder and harder for British postgraduates to gain full-time positions at universities, particularly in disciplines with a ready supply of appropriate EU graduates (in classics and languages, for example) and from countries where job opportunities are scarce. Even for academics, free movement comes at a price.

One thing is certain: without rising student numbers and big property deals, top university administrators – their ranks swollen by the rising tide of speculation – will find it more difficult to justify their huge pay increases while holding down the pay of teaching staff.

Oxford and Cambridge are also getting into the speculation game. Earlier this year Oxford signed a £4 billion deal with Legal and General to build thousands of homes and two science parks.

In 2012, Cambridge issued a £350 million bond to enable it to build 5,000 homes in the city. Stage one of the project was two

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Ahit Wick/shutterstock.com

23 February 2018: Academics fighting to defend their pensions. Now they are having to fight again as the employers come back for more.

The dark hand of the EU

THE UNIVERSITY AND College Union (UCU) has rightly refused to agree to huge increases in the staff pensions contributions to the main universities pension fund, the Universities Superannuation Scheme (USS).

It insists that the universities, as employers, should bear the bulk of the increase in contributions required by the USS. It's a simple message, and it has clearly been heard by members. The problem is, it's only half the story.

The fact is that the increases aren't necessary at all. They are only required because the UK Pensions Regulator, which takes its orders from the EU in the shape of the European Insurance and Occupational Pensions Authority (EIOPA), says so.

On any sensible calculation, there shouldn't have to be an increase in contributions at all, as *Workers* explained a year ago in an article on last year's UCU pensions victory headlined "Pensions: thanks to the EU, it's not over yet". That article also predicted that the USS would be back for more contributions from staff, which is precisely what has happened.

Workers understands that the UCU negotiators know all this perfectly well – but they have refused to inform members about it, arguing that it's all "too complicated" to explain to them. It is complicated, but it's not that hard, especially for an audience of university teachers.

What's proving too difficult is for a Remain-backing union like the UCU to admit that the EU is at the root of the current impasse on university pensions. If it were talking straight, the UCU should be telling members that once Britain leaves the EU the pensions "deficit" straitjacket can be removed. ■

'Universities dedicated to the balance sheet, not to knowledge…'

Continued from page 11

years late and £100 million over budget. Last year it went further, with a £600 million bond issue to help it finance "revenue-generating projects and other facilities", including retail developments and a hotel refurbishment.

Universities like to justify high salaries for top administrators on the basis that they should be compared with businesses. But if so, who do they think their clients are? Not the students, certainly, from the way they treat them.

While the universities have been pumping vast sums of money into property speculation and landlordism, students have been reporting levels of dissatisfaction never seen before. A survey for the Higher Education Academy and the Higher Education Policy Institute has found that in 2018 just 38 per cent of students think their course is value for money. That's slightly up the previous year, but well down on the 53 per cent in 2012 who thought their course was worth the cost.

Borrowing

Where is this all leading? Downhill all the way, to universities as businesses dedicated to the balance sheet, not to knowledge. Some have issued bonds to raise money for risky housebuilding developments, significantly raising their level of debt.

Varsity magazine quoted Clément Mouhot, a mathematician and fellow at King's College, Cambridge: "Behind the bonds of almost £400m in 2012 and now £600m in Cambridge, and even more in Oxford, and behind the rise of tuition fees, lies one and the same logic. That of financialisation and privatisation of universities."

The opportunity is there, with Brexit in the offing, to return higher education to its true aims of education and research, with decently paid staff working reasonable hours while delivering a quality service to students.

But as long as those who govern the universities are allowed to see their future as global businesses linked umbilically to the EU, that's not going to happen. And if staff are to move from perpetual defence to playing an active role in resetting the intellectual and moral compass of the institutions in which they work, they are going to have to break those links too. ■

Stop robbing other countries of their nurses. Instead, train more here – and keep them in the profession…

How to find nurses

Workers

January 2016: marching in London against the withdrawal of bursaries for nursing and other health specialist students.

WE HEAR a lot about nursing shortages and how the answer lies in importing "the brightest and the best" from elsewhere in the world. But that policy is unethical.

Yet we don't hear that viewpoint. And more mundanely we don't hear about why there is a shortage of UK nurses.

The answer is simple and the solution straightforward. But government after government has preferred to cut corners and save a little money – and waste a good deal of money in the process too.

Most UK nursing courses do recruit the number of students they can manage. The big problem is that one in four student nurses drops out before completing their three-year programme.

The main reason for this, said Katerina Kolyva, the executive director of the Council of Deans for UK universities, is "the lack of national funding to support the living costs of student nurses".

That's some irony. The Council of Deans was the body which agreed to Chancellor George Osborne's proposal to cut student bursaries, which came into effect in 2016. Just three years later, it called for the introduction of a maintenance grant for nursing students.

The universities were quick to go along with Osborne's proposals, seduced by the offer of increasing student places. Yet student places in nursing and medicine can never be expanded beyond the number of clinical placements available – so this hoped-for expansion was always illusory.

In addition, the attack on the bursary adversely affected those coming forward to apply for nursing.

Fewer students

The charity the Health Foundation reviewed the policy, saying, "the change in funding arrangements in England, combined with a dip in the population of 18-year-olds, has resulted in a fall in the number of nursing students, rather than the expected rise."

So, the first step in increasing the number of nursing students who complete the programme is to pay their living costs. There will always be some attrition from nursing courses: not all will find they can cope with the role and not all will make the academic grade. But there would be several thousand more registered nurses every year if the current drop out rate of one in four could be reduced to one in ten.

Another step is needed: to increase the pay of registered nurses and reduce the number who leave the profession prematurely. According to the Health Foundation, "Between 2010/11 and 2020/21 the pay of NHS staff will have declined in real terms (i.e. adjusted for inflation) by at least 12%."

Most of Britain's major hospitals are in city centres, and most nurses can only afford to live on the outskirts – so they work 12-hour shifts, and travel for a couple more. Not surprisingly, many find this unsustainable. Again, a small percentage reduction in the number of registered staff leaving the profession prematurely would increase staffing numbers by thousands.

Let's get the real reasons for why there are nursing shortages discussed. Most importantly the nursing profession itself must make its voice heard to demand these home-grown solutions. ■

The collapse of Thomas Cook left hundreds of thousands of should never have been allowed to happen…

Destroyed: a travel com

THOMAS COOK, probably the world's best-known travel company, founded as far back as 1841, went bust in autumn 2019. Its collapse ruined the holiday plans of over 300,000 people who had saved hard for their well deserved break from work. 150,000 people on holiday abroad were flown home in an emergency repatriation exercise by the British government that was the biggest since the Second World War.

Taxpayers were saddled with a bill exceeding £1 billion for repatriations, and costs associated with over 9,000 staff being put out of work. And just as was the case when construction and services giant Carillion collapsed, the administrators KPMG and AlixPartners have been engaged in a feeding frenzy as they devour the carcass of the hapless travel firm, pocketing over £11 million in the first four weeks, and much more subsequently.

For many months, the firm was teetering towards the cliff edge. As the serious economic consequences of a collapse were realised in countries across Europe, ministers from popular holiday destinations Spain, Greece, Portugal, Turkey and Bulgaria contacted the company to offer assistance. Given the size of the company's customer base in Germany, the German government did likewise.

In contrast, the government of the country that would be most affected by the collapse – Britain – did…absolutely nothing.

There is no doubt that the company has been struggling financially for over a decade owing to the massive debts it was saddled with after very unwise acquisitions were made – it came close to collapse in 2011. But that didn't stop senior executives paying themselves telephone number pay packages, another parallel with Carillion. Bosses have helped themselves to £47 million in pay and perks since 2007.

'The government consciously chose to write off the company for ideological reasons…'

But it could – and should – have been saved. The company was fundamentally a viable business, as evidenced by the fact that the administrators have sold off many parts of the company as going concerns.

A £200 million cash injection from the banks including RBS (currently state owned), underwritten by the government, would have rescued the company – instead, the government preferred to spend five or six times that figure on dealing with the aftermath of the collapse.

Some have accused the government of negligence, but it seems that the government consciously chose to write off the company for ideological reasons.

Chinese travel firm Fosun International, a Thomas Cook shareholder since 2015 and owners of other holiday firms such as the well known French company Club Med, was prepared to invest £450 million if the £200 million could have been found. The withdrawal of Fosun when it became apparent that the £200 million would not be forthcoming immediately triggered the collapse, and Fosun was happy to pay the administrator just £11 million for the Thomas Cook name – a bargain!

Vultures

Other vultures have been feasting on the carcass. Hays Travel, Britain's largest independent travel agent, acquired the entire retail portfolio of 555 former Thomas Cook shops, and has employed most of the 2,500 redundant Thomas Cook staff who previously worked in them, adding to Hays's estate of 187 shops. It paid £6 million for the lot – less than £11,000 a shop.

Thomas Cook's landing slots at Birmingham, London Stansted and Manchester airports were snapped up for an undisclosed sum by the budget airline and rapidly growing Leeds-based holiday company Jet2. Rival easyJet bought all of Thomas Cook's landing slots at London Gatwick and Bristol for £36 million.

Petter Stordalen, a Norwegian billionaire, has bought up one of Thomas Cook's biggest subsidiaries, the Ving Group.

John B. Hewitt/shutterstock.com

23 September 2019: At a permanently closed Thoma

Another subsidiary, German airline Condor, was saved with the help of a €380 million (£328 million) bridging loan from the German government. A number of other subsidiaries are being sold off as going concerns.

No feeding frenzy would be complete without the corporate speculators having their share – hedge funds that bet on Thomas Cook going bust are now enjoying a bounty of almost $250 million (£194 million).

Contrast that with the position faced by the ordinary people who were Thomas Cook's customers – people who were told that most of them were covered by the travel industry bond system that protects them when a holiday company goes bust. The Civil Aviation Authority should have refunded all claims by 6 December, but at that point

f travellers in the lurch, and put 9,000 staff out of work. Yet it

pany founded in 1841

as Cook store in Market Street, Manchester, an A4 poster refers people to the Civil Aviation Authority

around 40 per cent of claims worth £64 million were outstanding to be paid.

And whilst many former Thomas Cook staff in Britain have been re-employed within the travel trade, many haven't and are still on the dole. Others have had to accept jobs which pay much less than their Thomas Cook salary – pilots especially have found themselves having to step down from a permanent post as a Captain to being a First Officer (co-pilot), often employed on a casual basis.

Unionised

Thomas Cook was a unionised employer – the high street travel agent arm being organised by TSSA, while the airline was covered by Unite and pilot's union BALPA.

The failure of Thomas Cook to consult with the unions over the redundancies resulting from the company's collapse puts it in breach of legal requirements to consult, and allows unions to pursue a protective award of around three months salary for each person affected. But that only applies where twenty or more employees work at one location. While unions have secured those payments for many made redundant such as most airline workers and those in Thomas Cook's head office in Peterborough, those working in high street shops where staff numbers are typically less than twenty have got nothing.

This illustrates the nonsensical situation where a company that employs 9,000 staff can easily avoid its legal obligations to many of its staff in respect of redundancy by ensuring that the workforce is dispersed such that less than twenty staff work at any one place.

The company's troubles had begun in 2000, when the travel industry began to change rapidly. C&N Touristic AG, one of Germany's largest travel groups, took it over in 2001. The name was promptly changed to Thomas Cook AG, recognising the massive reputation of the Thomas Cook brand, and the familiar high street shops could suddenly be seen all over Germany. It launched Thomas Cook Airlines in March 2003, and acquired other European firms along the way.

Many commentators have suggested that this new and now huge German-owned Thomas Cook failed to keep up with changes in customer demand, and failed to react to the arrival of the Internet – which has revolutionised travel – and that ultimately this led to the company going bust. The truth is more complex.

Choice

It was how the company chose to react to these changes that really sowed the seeds of its ultimate demise.

In 2007, Thomas Cook took over MyTravel, previously known by the brands Airtours and Going Places. This was done to achieve cost savings through economies of scale and increased buying power – £75 million savings were promised which would allow it to take on the new internet rivals.

Instead, Thomas Cook now had massive debts, and this happened just before the economic crash in 2008 which saw a big downturn in the industry. The company nearly went bust in 2011, and ironically only really survived until 2019 because the 2008 crash resulted in record low interest rates.

Thomas Cook's last chief executive, Peter Fankhauser, has stated that debts left by his predecessors reached £1.2 billion by the time of its collapse, requiring it to pay £140 million a year in interest charges at a time when profits were around £97 million.

Despite all of this, the senior managers rewarded themselves generously. The

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architect of the MyTravel deal was Manny Fontenla-Novoa, who received £17 million during his eight years in the top job. Thomas Cook executives have been paid more than £20 million over the last five years, despite long term fears that the operator faced collapse.

Fankhauser has received £8.3 million since he took over in 2014. Chief financial officers Michael Healy and Bill Scott have together been paid around £7 million since 2014. More than £4 million was paid to the non-executive directors, including Belgian chairman Frank Meysman, who took home £1.6 million.

Government ministers have said that Thomas Cook failed because it was "a dinosaur in a digital age". But that runs counter to the decision by Hays Travel to buy the Thomas Cook shops, and by another travel agent to expand its estate by 100 shops. It is likely that those in the industry are going to be better than ministers at assessing the future profitability of the traditional high street travel shop model.

Decline?

Indeed, *The Economist* said: "Far from being in decline, the package holiday is enjoying a resurgence. The number of Britons going abroad on inclusive tours has risen from 14.3 million in 2010 to 18.2 million in 2018." Part of this is down to cost because it is still cheaper to buy a family holiday as a package than book the components individually, especially since Thomas Cook and its rival TUI are able to use their scale to negotiate lower prices on hotel rooms and flights.

And Thomas Cook's British airline was clearly a profitable going concern. It made earnings before financing costs and tax of £129 million last year, although it reported a loss in the last three months of 2018.

A report published by the trade union Unite notes: "Contrary to the government and media narratives the group's airline was not only profitable but had one of the most competitive cost bases amongst UK operators… Thomas Cook was not the most profitable airline in Europe, but was a sound and stable and viable business…Ironically, the main problem of the group's airline was the profitability of (the German airline) Condor."

Brian Minkoff/shutterstock.com

2 October 2019: Thomas Cook employees demonstrate outside the Department for Business, Energy & Industrial Strategy.

Unite's Assistant General Secretary Diana Holland gave evidence to MPs on the Business Enterprise and Industrial Strategy (BEIS) Select Committee. "Condor in Germany is still flying – it's a wholly owned subsidiary of Thomas Cook. Thomas Cook Balearics is still flying. Thomas Cook in Sweden is still flying," Holland told MPs. "All of these businesses are able to be flying because of the arrangements in their countries which could have applied here."

The collapse of Thomas Cook after 178 years is a story of corporate greed and executive mismanagement. But it is not those responsible for this debacle that have been and are paying the price.

As usual, it is the workers: those holidaymakers who have lost their money or are still waiting to be refunded; holidaymakers who have had to pay a great deal more to get an alternative and equivalent holiday, and holidaymakers whose holidays were blighted by the worry of how they were going to get home; and the Thomas Cook staff, many of whom are still working but for lower rates of pay or are stuck with less favourable contracts. And the many who are still out of work.

And it is a story of a government that has sat back, refused to intervene, and allowed all of this to happen. ■

Meet the Party

The Communist Party of Britain Marxist-Leninist's regular series of London public meetings in Conway Hall, Red Lion Square, WC1R 4RL, will continue on Tuesday 14 January (see notice, page 7).

As well as our regular public meetings we hold informal discussions around the country with interested workers and study sessions for those who want to take the discussion further. If you are interested, we want to hear from you. Send an email to info@cpbml.org.uk or call us on 07308 979308.

With a clear majority, the government must retake full control of Britain's coastal waters…

Break clean for fishing

Workers

April 2018: Fishing For Leave flotilla off Hastings.

FOLLOWING THE election, campaign group Fishing For Leave (FFL) has issued a powerful new message that the new government has been gifted a huge majority to implement Brexit, and it must deliver, imploring new MPs to remain faithful to their electors and be their constituency's voice in Westminster rather than Westminster's voice in their constituency. With a thumping majority, Johnson has no excuse but to retake full control of our coastal waters, something which is made near impossible by the Political Declaration he plans to sign.

In a recent press release, FFL analysed the effects of the proposed "deal" for leaving the EU on UK fishing, and the benefits of a clean break.

That statement refers to a revealing incident in British waters in October. A super trawler, the *Margiris*, around 14 times the size of British fishing boats, arrived off our coast and began to hoover up fish.

The *Margiris* is a vast Dutch-owned but Lithuanian-registered floating fish factory. It can net and process 250 tonnes of fish a day, with fishing methods seen as highly environmentally controversial. It was banned from Australian waters in 2013.

On this occasion, the *Margiris* was boarded by British officials, who found it to be operating legally under EU law. There was nothing we could do to stop it.

Dangers

Now FFL is alerting British voters to the acute dangers posed to fishing communities by the new Withdrawal Deal and Political Declaration.

Towns in the North East such as Grimsby, Lowestoft and North Shields, along with Hartlepool, Whitby, Scarborough and Bridlington, could see a massive economic boost through leaving cleanly the EU's Common Fisheries Policy. The CFP permits EU vessels to catch 60 per cent of the fish in our fishing waters, a rich resource to an independent Britain.

FFL estimates that leaving the CFP could give us back access to a catch valued at about £241 million, worth around £1 billion to these towns in terms of processed value. On a national scale the catch value would be around £2 billion, and some £8 billion in processed value.

'All this could be thrown away if the Transition as it stands is accepted…'

All this could be thrown away if the Transition as it stands is accepted. It involves obeying all EU law, including the CFP, for potentially up to three years, with the possibility of continuing this on a rolling programme with no end point – and with no control in how it is implemented or enforced.

FFL points out that the dangerous language of the Political Declaration opens us up to yet again to handing over the fishing rights which should be ours under international law.

Compulsory 'cooperation'

After the Transition, the Political Declaration requires "cooperation on…regulation of fisheries, in a non-discriminatory manner" (Para 72). This means that the EU will continue to have access to UK waters as at present.

The Declaration talks about agreement over "access and quota shares"; a "level playing field" of regulatory alignment; and fishing to be used as "part of the economic partnership". All these are mentioned as prerequisites for any trade deal. And CFP "associate" membership will be required (paragraphs 118 and 120).

FFL demands that fishing be removed from any Political Declaration. We must be entirely free of the CFP, with sovereignty over our coastal waters. We should grant access only in return for access to EU waters of reciprocal value.

The EU, says the campaign, must recognise our rightful Zonal Attachment share of North East Atlantic fish stocks. There must be a ban on damaging electric pulse fishing and industrial fishing for sand eels. The economic and social benefits of such recognition are highly significant. ■

Just five days after the referendum – with furious denials f European army – the EU announced its new Global Strateg

You can't have sovereig

IN APRIL 2016, at the height of the referendum campaign, newspapers published German government documents revealing that the EU was about to announce a new military strategy. The EU and the pro-EU campaign furiously denied it.

Then, just five days after the referendum, the EU announced its new Global Strategy and began to create new military structures. In November 2016 it released its Security and Defence Implementation Plan. Only a few EU insiders had seen it, yet that same day it went straight to the EU Council meeting for approval.

Since our involvement in EU military affairs has largely been ignored during the election campaign, the CPBML held a public meeting on the topic in Conway Hall on 19 November. (The full text of the opening speech is available at cpbml.org.uk.)

"This will be a very odd meeting tonight, because we are discussing something that doesn't exist – or so we are told…a European army," began the speaker. "And how do we know it doesn't exist? Because Nick Clegg told us so in 2014. He said, 'This is a dangerous fantasy. The idea that there's going to be a European air force, a European army, it is simply not true.'"

What's wrong with the idea of an EU army? It's simple, said the speaker. Britain's armed forces would be part of a joint force, under EU command, deployed as and when decided not by our elected representatives – but by the unelected European Commission, appointed by the European Council.

So, ultimate questions of life and death, war and peace, national defence and security would be decided by a body with zero democratic credibility.

The evidence

What's the evidence they are creating an army? The speaker spelled it out. They now have an EU Military Staff and an EU Military Committee, both part of the Command Structure of the EU Common Security and Defence Policy. They have the EU Peace Fund, a military intervention fund of 10.5 billion euros. They now have Military Planning and Conduct Capability, Single Intelligence Analysis Capacity, Defence Intelligence Organisation, and other structures that feed into military requirements.

Claude Truong-Ngoc/Wikimedia Commons

The Eurocorps displaying its wares in Strasbourg, 2014

On top of this, the EU is taking more and more control over member states' armed forces, defence spending and foreign and defence policy. Without the threat of Britain's vetoes, France and Germany called for swift change. The direction is, as ever, towards a single federal EU state. The aim is Common Defence by 2025, integrated Armed Services by 2027.

"We are discussing something that doesn't exist – or so we are told…a European Army."

After the referendum there was no mandate for us to be involved, no manifesto commitment – we were leaving and government departments were due to leave, not join, EU schemes. But not before a few firm chains were fixed in place.

May's Chequers Plan, published in July 2018, showed that the Cabinet had quietly agreed – without reference to parliament – to be involved in EU defence industry projects through the EU's Permanent Structured Cooperation (PESCO). And the government put us into the Coordinated Annual Review on Defence, which would control the Ministry of Defence along with the EU defence ministries.

"There is no halfway house with the EU, you're either all in or all out – a single claw ensnared, and the bird is caught," said the speaker, "and it requires compliance with the whole EU rulebook, all its directives,

from the Remain campaign that the EU was planning a gy and began to create new military structures…

gnty without defence

policies, finance and structures. These entanglements mean the loss of control over our defence industries and capability – even our foreign policy – enforced by the European Court of Justice."

Now Johnson's new Political Declaration commits us to military integration through the European Defence Agency and the European Defence Fund. We would help fund the EU army and lose our defence and foreign policy sovereignty.

Why an army?

Why does the EU need an army now? After all, the Soviet Union (never a threat, anyway) dissolved nearly 30 years ago. Ursula von der Leyen, the newly appointed (not elected, of course) European Commission President, says the EU is ready to ditch "soft power" and flex its muscles to "assert itself on the world". When he was Commission President, Jean-Claude Juncker said, "With its own army, Europe could react more credibly to the threat to peace in a member state or in a neighbouring state."

There is no limit to the EU's ambitions. Listen to European Parliament Brexit Coordinator Guy Verhofstadt addressing the LibDem conference on 15 September 2019: "The world order of tomorrow is not a world order based on nation states or countries, it's a world order that is based on empires … " The conference rapturously applauded his call for a European empire. Is that what pro-EU voters were voting for?

The empire has its allies here, in Parliament, in the Foreign Office, the Treasury, the Ministry of Defence, the media, the trade unions. While falsely accusing Leave voters of nostalgia for empire they put forward a sentimental picture of an internationalist, peaceful EU.

But the facts point to a different reality, said our speaker at the CPBML meeting. The EU impoverishes millions of African farmers by denying them the right to trade fairly with EU member countries; strips the fish from West African waters, imports cheap food, raw materials and labour from former colonies; wages trade wars; and has fuelled wars on two continents – in the Balkans, Ukraine and Libya.

What should Britain's defence policy be? "Well, not to build any empire! We should defend our people, secure our borders and our fishing waters, defend trade routes, defend against terrorists like ISIS, stop the people-traffickers (stop the boats and you stop the deaths), and deter any who threaten our independence," he said. "We should unite on our common commitment to democratic values, national unity and national independence."

In the very lively discussion that followed, speakers from the floor explored a wide range of issues associated with the topic.

What about NATO?

Does the EU army project replace NATO? With its history of interference in Europe as a springboard to attack the Soviet Union and now Russia, perhaps the US government (as represented by Trump) is content to see the EU develop its army. On the other hand, the clear intention to create an empire for the EU could create a serious rival to the USA.

"There is no halfway house with the EU."

The EU army is for building the EU as a power bloc to face off the other power blocs – principally China, the USA and Russia. Power blocs constantly threaten and cause wars – and make any local disturbance far more dangerous.

But at home the EU army would be deployed in the first instance to deal with unruly member states and civil unrest within them. It could also be used to bully countries in Africa, which the EU has already begun to treat as its empire.

More important than what this or that bloc want, however, we need to concentrate on what we want. What do we need for an independent Britain?

We should not be part of any power bloc. But we need military capability to defend ourselves, so we must be able to build what we need for that and control it here. But the people are largely unaware of the EU's development into a bloc with a single military structure and the intention to build an empire. There is a huge task to be done raising awareness, getting a debate started.

We are not going to be free of EU military ambitions quickly come the end of January. In determining our future trading relations with the EU, they are going to attempt to tie us into the entire EU agenda, as is clear in the Political Declaration and the Johnson-May Withdrawal Agreement.

EU procurement rules applied to UK military contracts threaten our shipbuilding, aviation and weapons development. With our relatively large military budget, the EU will go all out to grab it to fund its army and to bind us permanently into its procurement rules.

The road to British independence is going to be a very long one, but no state can be sovereign without the independent means to defend itself. ■

The ambitions of the eurocrats couldn't be clearer. They w swiftly as possible to a unified European state…

A 'more perfect' union?

Guy Verhofstadt: eyeing up an idyllic future as part of a European superstate.

***Europe's last chance: why the European states must form a more perfect union*, by Guy Verhofstadt, hardback, 304 pages, ISBN 978-0465096855, Basic Books 2017, £21.14. Kindle & e-book editions available.**

WANT TO KNOW what the eurocrats are thinking? Just listen to Guy Verhofstadt. He's the European Parliament's Brexit coordinator, a Member of the Belgian Parliament and ex-Prime Minister of Belgium. He gained some notoriety in September 2019 by getting involved in British politics, addressing the LibDem Party Conference, where he held up a "Bollocks to Brexit" T-shirt and called for the EU to become an empire, like the USA, China and Russia.

In 2017 he wrote a book to elaborate on his vision for the EU to become a single state, a perpetual, indissoluble union, a United States of Europe. His subtitle gives the game away: "form a more perfect union" is a key phrase in the US Constitution.

A superpower?

Verhofstadt sees the EU as a future political and military superpower. He writes, "We must move toward a single European Defense Union, with European armed forces composed of soldiers wearing the same uniform." This would become a full-scale European combined army capable of operating on land, sea and air.

He proposes a single joint budget for these, supported by additional compulsory contributions from member states. That would extend to procuring military equipment as well as research and development. In other words he wants the EU to control all the essential elements of a state's armed forces – which leaves no room for member states to have their own independent forces.

What's this all for? Verhofstadt says the EU high representative for foreign affairs "must cooperate closely with the European Defense Union and should preferably occupy the same building as the European General Staff. European Defense policy must however fit seamlessly into the union's general security concept and strategic vision for foreign affairs. … This will require an amendment to the European Treaty. Among other things we will have to abolish the unanimity rule so that in the future the European Council can make its decisions with a qualified majority."

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In short, the EU would be able to make war outside its borders even if individual members objected.

Verhofstadt honestly points out the eurozone's dreadful economic record: "no other continent in the world is 'growing' as slowly as Europe". In 2009 the Anglo-Irish Bank collapsed. He comments, "The failure of one of the largest banks in Ireland not only threatened to drag the country into an unprecedented crisis but proved that the stress tests – and indeed the entire European Union economic program – were completely ineffective."

As he notes, "recapitalizing the banks is still the very first step in successfully tackling a crisis. The longer it takes to complete this cleanup, the more stubbornly the crisis will persist." He cites Japan, which spent more than thirteen years recapitalizing its banks after a mortgage crisis in 1990. Their economic stagnation, dubbed the "Japanese winter", lasted twenty years.

Verhofstadt contrasts that with Sweden, which cleaned up its banking sector immediately in response to a mortgage crisis in 1992. Combined with a sizeable depreciation of the Swedish currency it generated a spectacular economic recovery.

He says, "The United States followed the Swedish formula to great success. Europe, on the other hand, landed in the same situation as Japan in the 1990s and risks slipping into a persistent downward spiral of

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stagnation and deflation."

But Verhofstadt fails to point out that Sweden only joined the EU in 1995 and that it has not yet joined the euro. So in 1992 it was free to adopt a national solution which involved depreciating its currency, an option not allowed to members of the eurozone.

Writing in 2017, Verhofstadt admits that the EU's economic policy failure threatened another crash: "the number of toxic loans circulating in our financial system is still ten times higher than in the United States; as a result, there is no appetite for additional lending."

The European Central Bank had been forced to reduce its interest rates to almost zero in an attempt to trigger a switch from savings to investment, despite the failure of that policy in Japan. Low interest rates cannot overcome a lack of business confidence. Two years later the ECB still faces the dilemma.

United States of Europe

The last chapter is called "The United States of Europe". He says: "The only solution for Europe is to reform the European Union in the model of the American federal government." As he explains, "A federation would also put an end to the à la carte Europe, in which each member state picks and chooses its own form of single European Union via opt-ins, opt-outs, earmarks, and enhanced cooperation."

He admits that the EU is undemocratic, inefficient, and wasteful. He acknowledges that there is no transparency about decision making by the European Commission. And as he points out, "Once national leaders assemble in the council in Brussels and close the doors behind them, they are accountable to no one." But never mind.

In December 2017, a YouGov poll found that only 10 per cent of us want Britain to become part of a United States of Europe. The general election in December 2019 seems to have stopped Britain being part of this – at least for now.

We have to make sure that's permanent, as well as dealing with the underhand decision of Theresa May's government that tied our armed forces into the ambitious, expanding plans to build the EU army (see article, page 18). ■

**NATO has marked its 75th anniversary in London. But for a
about peace, there was nothing to celebrate. Quite the rev**

75 years of Nato aggres

THE NORTH Atlantic Treaty Organization originated with the Washington Treaty of 4 April 1949, but the ideas that gave rise to it go back to the final months of the Second World War, when the Red Army was demolishing the Nazi war machine. Through Swedish channels, Himmler and Goering sued for peace urging Britain and the US to unite with Germany to fight the "real" enemy, the USSR.

Churchill was also concerned at the pace of the Red Army's advance, and instructed his military planners to come up with a plan to attack the Red Army on 1 July 1945. The plan, named "Operation Unthinkable" and dated 22 May 1945, proposed to retake eastern Germany and Poland through a two-pronged attack on Stettin and Poznan with 47 divisions including 14 tank divisions.

The plan's primary goal was "to impose upon Russia the will of the United States and the British Empire". It envisaged using 100,000 German Wehrmacht prisoners of war and concluded, "If we are to embark on war with Russia, we must be prepared to be committed to a total war, which would be both long and costly".

But at the war's end, bankrupt Britain was in no position to call the tune. The USA emerged as the new world power with a mighty navy and surging economy due to the war, and had priorities outside Europe.

The very existence of the Soviet Union was a continued affront to imperialism. Hence the formation of NATO in April 1949 to "contain" the Soviet Union, and put what remained of Europe's military assets firmly under US control.

With Britain, Iceland, Norway, and Italy among NATO's members providing the US with bases, the US dominated the North Atlantic and the Mediterranean. The admission of Greece and Turkey into NATO allowed the US to start its encirclement of the Soviet Union.

'The very existence of the Soviet Union was a continued affront to imperialism…'

Imperialists united: NATO heads of state at the "celebratory" London summit on 2 December 20

Once formed, NATO moved swiftly. Its first act was to create West Germany on 23 May 1949 from the NATO-occupied zones of Nazi Germany. The German Democratic Republic (GDR) was set up in the Soviet-occupied zone months later as a response, although the Soviet Union called for a united, neutral, disarmed and democratic Germany.

By 1955 the US was in a military alliance with a country which it had been fighting only ten years earlier. West Germany was rearmed with US aid, its army (Bundeswehr) was established, and it was enlisted into NATO, vowing to reclaim "lost territories".

Responding to this threat, the GDR and Poland initiated the Warsaw Pact, the military alliance of Comecon – the socialist economic community – on 1 May 1955. NATO was now the armed wing of capitalism set against the socialist Soviet Union and its allies.

The US and NATO escalated military spending and embargoed the sale of a range of technical products to the Soviet Union, forcing them to waste huge resources on developing high tech weaponry. The US introduced nuclear missiles, targeting the Soviet Union, in bases from South Korea through Canada and the US to NATO European countries.

Similar military alliances to NATO were created to complete the encirclement of the Soviet Union and also China. The Baghdad Pact linked the US, Britain, Turkey, Iraq, Iran and Pakistan but was dealt a severe blow when the Iraqi monarchy was overthrown in 1958 and then a death blow when the Iranian Shah was overthrown. SEATO brought together US allies in South East Asia, but internal bickering and the Vietnam War ended that.

The lie exposed

With the collapse of the Soviet Union in 1991, the Warsaw Pact was dissolved. It may have been assumed that NATO would act similarly. Instead, the lie that NATO had kept the peace in Europe was exposed.

NATO took the fall of the Soviet Union as an opportunity to expand. Most of Eastern Europe was gobbled up and then required to join the EU on its terms, their industries privatised and taken over by EU and US companies.

Some stood up to this, particularly Belarus and Yugoslavia, the latter paying a heavy price, being bombed by NATO and seeing Warsaw Pact military hardware channelled to Croatia to hasten the break-up of the country.

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The Serbian Province of Kosovo was occupied by NATO and remains a NATO/EU colony hosting the biggest US base, Camp Bondsteel, in the Balkans, the others being in Bosnia, Romania and Bulgaria. The base houses a detention centre described by the Human Rights envoy of the Council of Europe as "a smaller version of Guantanamo Bay".

Over October 2001, NATO attacked Afghanistan, marking the start of a war without end, and in 2003 some NATO forces, though not under NATO control, invaded Iraq. France had vigorously opposed attacking Iraq and this marked the beginning of a number of splits in NATO.

Meanwhile the US-led alliance was busy engineering the "Orange" revolution in Ukraine, the "Rose" revolution in Georgia and the "Tulip" revolution in Kyrgyzstan with the intention of incorporating them into NATO and establishing military bases there. And, of course, NATO bombed Libya to oust Gadaffi – creating a haven for people traffickers and Islamist terrorists in the process.

This, then, is the organisation whose 70th birthday was celebrated in December 2019 in London. So what is NATO today? As it casts around for a new role with the US political system divided and the Eurozone in turmoil, the only thing that is clear is that nothing good will come out of NATO. ■

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An independent Britain – it's only rational

'Essentially the EU has proven to be a utopian fantasy rolled out to hide reactionary intent…'

EVEN BEFORE Britain joined the EU in 1973 a mindset had started to develop in the political elite that social progress should be slowed or even reversed. What hitherto had been considered the normal control functions operating within our country should be gradually replaced by an EU apparatus amounting to a hollowed-out democratic façade.

As part of this process, class politics were often submerged by the politics of class division. Honey-coated expressions such as "diversity" and "inclusion" floated to the surface.

This political state of suspended animation is now falling apart. As indicated by the election result, its collapse is particularly evident among self-proclaimed "Leftists" (not a label we would use ourselves). They have promoted the EU as a corporate vehicle which they claimed would facilitate the simultaneous growth of socialism in a number of countries.

Here we need a few home truths. Essentially the EU has proven to be a utopian fantasy rolled out to hide reactionary intent. Not only is it impossible for the EU to mimic the socialist processes needed to develop a country, it is designed precisely to prevent that.

Look at the EU's governing treaties. They have hard-wired the principles of monopoly capitalism, its supremacy over all other claims to priority. They cannot be changed without agreement from every member state. The EU will have to be destroyed first.

The EU harnesses the economic laws of capitalism, the law of the anarchy of market being a prime example, to prevent socialist developments taking place at all – whether in one country or simultaneously in various EU countries. It also wrecks nation states by removing the national structure and long-established border protection that socialism needs in order to develop.

Those who want progress realise that planning must occur at a British national level, and recognise that our currency is an extremely important feature within that process. If a nation state loses its monetary policy, then its control is gone.

The unifying importance of a national currency also explains why the enemies of British workers were so keen to foist the euro onto us. Having failed with that idea, the same EU sock puppets North and South are still united against the idea of an independent Britain.

Although much weakened they are still colluding to arrange the breakup of our country by dividing the British working class into regional tribes arguing against each other. This petty separatism is particularly evident in Scotland.

Of course, post-election the concerns over the Withdrawal Treaty will become readily apparent. But the important point is that the desire for an independent Britain is becoming the main trend.

The next part of this process will be to recognise that the Withdrawal Agreement as it stands is a form of trickery and is not what we want. Imaginative thinking and discussion free of the "we know best" mentality" is needed now.

On the other side of the fence, media coverage of Brexit will continue to push the nonsense that Britain risks missing out on something good and must maintain the strongest possible EU economic ties to avoid being left out in the cold.

All the time the enemies of Brexit will try to ignore the bind the euro is in. It is a failed currency, ruining the economies of EU countries that have adopted it.

To hide its failure, the EU is expected to put extreme pressure on non-Eurozone member states to adopt the euro so that the currency's underlying debt can be more widely spread.

This EU sees itself as a character out of the fairy tale Rumpelstiltskin, where the miller's daughter spins straw into gold. In reality the EU is just heaping up straw. The desire for an independent Britain is therefore entirely rational. ■

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