

# WORKERS

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## STAND UP, DEFEND BREXIT!

**BIOTECH** Better off out

**DOCTORS** Train here!

**ROMANIA** Wrecked by EU

**EU** Punishment bloc

**FINANCE** Change the rules

**PLAY** People Like Us

**UNIS** Fight for pensions

*plus* News,

**RAIL** EU barrier to control

Book Review

**BREXIT** Self-confidence

and more

TAKE CONTROL: BUILD THE NEW BRITAIN

# WORKERS



## Defend Brexit!

NOW IS a time of unprecedented popular involvement in politics, a true democratic renaissance. We the people voted to leave, but our vote is being frustrated.

Across Britain there is a palpable sense of anger at the attempts to betray the referendum result of 2016. Anger at the ultra-Remainers who creep to Brussels to urge no compromise as the best way of thwarting independence. Anger at the undemocratic “People’s Vote” charade – we had a proper people’s vote in 2016. Anger at the government’s supine contortions.

But anger is not enough. If the vote to leave was a form of revolution, then we are witnessing an attempted counter-revolution. Like the professional elites and entitled students of Chile in 1973, they take to the streets to deny democracy. Like the Jacobites, they see their only hope in intervention from abroad.

It’s not just a campaign against Brexit. It’s a campaign against Britain. Those who urge Brussels to hold out, to make things as difficult as possible, are no less than traitors.

Away from marches on the fevered streets of the West End of London, people are asking themselves what they should do to ensure that the vote to leave is carried out. The answer is simple:

they must stand up, stand tall, and defend Brexit.

That’s what the fishermen have been doing. Despite the fact that they’re out at sea a lot of the time, they have managed to mount a series of demonstrations rallying support in seaside communities. Want inspiration? Look at Fishing for Leave – [ffl.org.uk](http://ffl.org.uk).

The fishermen have produced, and continue to produce, detailed thinking on just how damaging the government’s approach is – and on how they can thrive in an independent Britain. Other sections of our country should do likewise. We need positive thinking.

This issue of *Workers* is full of examples of the dangers of staying in the EU and the opportunities that will come from leaving – from biotech to banking, from defending pensions to reversing privatisation.

All the parliamentary shuffling is a sideshow. Parliament has one duty, to carry out our instruction to leave the EU, its single market and its customs union. So far, it’s failing.

Parliament does not want to do what we told it to do. Right, then: who rules? The people of Britain, or those who claim to represent us in Parliament? If Parliament won’t do what we told it to do, we must shove it aside. Loudly. ■



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Workers

Medical students demonstrating outside the Department of Health at the end of 2015.

## Call for more student doctors

ON 28 SEPTEMBER the president-elect of the Royal College of Physicians, Dr Andrew Goddard, said that Britain needs to increase the number of student doctors. There are currently around 7,500 medical students but Dr Goddard said that we need a further 6,000 doctors.

Britain has one of the highest proportions of foreign-trained doctors in Europe, at 28 per cent, all too many of them from countries far poorer than our own (see "How free movement is wrecking Romania", p6). The Global Forum on Human Resources for Health recognises that developing countries need to retain their own healthcare workforces. And although it notes that migration of health workers to more developed countries is increasing, it remains focused on managing that migration. Britain can take a lead by training our own health professionals.

The government's decision to cut nurse education places by almost a fifth between 2009 and 2013 caused the current shortage of nurses. Indeed, until 2014, more than 30,000 UK applicants for nursing courses were turned away annually, according to the Royal College of Nursing's *Nursing Labour Market Review*.

The former Migration Advisory Committee Chair Sir David Metcalfe said in March 2016, "There is no good reason why the supply of nurses cannot be sourced domestically. There seems to be an automatic presumption that non-EEA [European Economic Area] skilled migration provides the health and care sector with a 'Get out of Jail Free' card." ■

## LOCAL GOVT Destroying jobs

THE WIDESPREAD onslaught on local jobs and services continues, as the government's false economies grind on.

Between 600 and 900 jobs could be axed by Oxfordshire County Council as part of plans for a major structural overhaul, according to a plan published at the end of August.

Council leader Ian Hudspeth said the changes would reduce administration costs and protect frontline services. The move is estimated to save £34 to £58 million a year over five years after a one-off cost of up to £18 million to implement the new model.

Somerset County Council has proposed cutting more than 100 jobs and major services so it can balance its books. The council has begun a consultation on 130 redundancies and is proposing cutbacks to highways, public transport and special needs services. The authority needed to save £19.5 million in 2017/18, but only made cuts of £11.1 million. ■

## ITALY EU fines threat

ON 15 OCTOBER the Italian government submitted its draft budgetary plan to the European Commission, as required by the EU. This included plans to increase welfare spending and lower the retirement age.

The next day the Commission responded with a letter to the Italian finance minister describing the plan as "an unprecedented breach" of EU fiscal rules. That letter is a first step in an EU procedure that could lead to Brussels rejecting the budget and fining Italy. ■

If you have news from your industry, trade or profession call us on 020 8801 9543 or email [workers@cpbml.org.uk](mailto:workers@cpbml.org.uk)



Workers



Tuesday 16 October: London Brexiteers take their message to Downing Street.

## ON THE WEB

A selection of additional stories at [cpbml.org.uk](http://cpbml.org.uk)...

### Labour's Brexit betrayal

Labour has aligned itself with those in Westminster who want to betray Britain, betray the trust that people put in the referendum process, and betray democracy itself.

### NHS workers must remain vigilant

The government has guaranteed real funding increases for the NHS over the next 5 years. NHS workers must remain vigilant to take advantage of the opportunity to repair damage done to the service.

### TUC opposed in closet call for second referendum

Instead of calling for – effectively – a second referendum, TUC unions should follow the RMT's lead and assert their own sovereignty against the employers.

### EU rules 'waste food' and add to pollution

Around a third of all fruit and vegetables produced on British farms have to be thrown away purely because they don't look good enough, scientists report.

### Rally shows spirit for EU fight

The 1,500 enthusiastic Brexiteers who came to a Bolton rally show that the people are ready to fight for Brexit.

### Plus: the e-newsletter

Visit [cpbml.org.uk](http://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 foot of every website page – an email address is all that's required.

## Journal pans new regulation

AN EDITORIAL in the *British Medical Journal* on 10 October points out the weaknesses of medical device regulation in the EU. Medical devices such as vaginal mesh implants and breast implants have caused scandals in recent years. EU regulation is lax, to say the least.

The journal has not generally taken a pro-Brexit editorial line. But this piece written by two professors and a registrar is damning. Pro-EU propaganda tends to cite its regulation of medicines as a reason to Remain – a mistaken view.

In an earlier investigation in 2012 the journal described “a fragmented, poorly regulated, market driven system, with financial incentives to prioritise manufacturers' interests over those of patients, and with no requirement for clinical evaluation of a device's safety or effectiveness”.

New rules, the EU Medical Devices Regulation, are due to come into force in 2020. Enforcement will be assigned to “notified bodies”. These are not government agencies, but commercial organisations funded by device manufacturers.

These bodies will compete with one another for business from manufacturers. As the BMJ editorial points out, a notified body with a reputation for a low threshold of approval will win business from those with a more stringent approach.

Manufacturers can bypass the need for clinical investigations if a device is similar to an existing product. Both vaginal mesh and metal-on-metal hip prostheses gained approval by this route. This need not concern us, since we will be out of the EU. But it is instructive to see how the system has worked in the past and to decide what Britain needs from medical device regulation.

The editorial argues, correctly, that regulation should be carried out on a national, not an EU basis, as well as being free from commercial interests. National regulation will protect patients and public safety. It is for British researchers, makers of devices, doctors, nurses and patients to establish what such regulations should say, and how they should be implemented. It would be a great improvement on the EU's lamentable record.

The public's rights under EU law to gain information about medical device regulation are slight. Though the European database on medical devices collects data on device approval for governments, notified bodies and companies, the public has only limited access. ■

## HS2

### Station plans unveiled

DESIGNS FOR two new stations which will form a key part of the HS2 rail plan have now been unveiled.

Curzon Street, with seven 400-metre platforms, will be the Birmingham terminus for the multi-billion pound rail link. Scheduled to open in 2026, it will be the first intercity station built in Britain since the 1800s.

Interchange station in Solihull will be

near the Birmingham International airport station and the National Exhibition Centre. It will create a gateway in the West Midlands for connections to the north and the high-speed network and to London and the south.

West Midlands mayor Andy Street said, “They will be landmark buildings in both Birmingham and Solihull for the next 100 years probably, so it's very important they have public support... It's an exciting day because along with the digging of the ground at Curzon just ten days ago... it really says this railway is happening.” ■

## AUTOMOBILES

### Plan for electric cars

MPS ON THE Commons Business, Energy and Industrial Strategy Select Committee have called for the sale of new cars with petrol or diesel engines to be banned by 2032.

Last summer the government set a target date of 2040 for the ban. The Select Committee wants this to be brought forward by 8 years. Its report highlights the

need for a planned infrastructure for the charging of electric vehicles and criticises the government’s plans to leave this to local authorities and the private sector.

Instead the committee calls for a nationwide plan to ensure electric vehicles can be readily charged and that such an infrastructure should receive state funding. The National Grid has backed the calls for state support for a charging infrastructure.

The Society of Motor Manufacturers and Traders said the 2040 target was “already extremely challenging”. ■

## WHAT’S ON

### Coming soon



### FEBRUARY

Tuesday 12 February, 7.30pm

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

“Brexit 2019: Let’s get on with it”

CPBML Public Meeting

The EU referendum seems like an age away – and it is. We should be out by now, but the enemies of democracy keep finding ways to spin the process out.

They want to stop Brexit completely. So far they have shown that they are prepared to go to any lengths to do so, even going to Brussels to urge the EU to make the negotiations as difficult as possible.

The battle is on. Obviously, 17.4 million people voting to leave has not been enough. We have to force politicians to do our will. Come and discuss. All welcome.

Unison Glasgow City Branch



Council workers in Glasgow demonstrate for equal pay.

## Glasgow equal pay fight

TWELVE YEARS of dispute over equal pay in Glasgow are coming to a head. Around 8,000 women workers, including cleaners, carers, learning support staff, and those in nurseries and administration walked out on 23 October on a two-day strike.

They finally decided to act after years of dispute without resolution. Similar action is likely during November and December if talks with the city council – one of Britain’s largest – fail. The strike of sewing machinists at Ford, Dagenham in 1968 forced the Labour government of the day to pass the Equal Pay Act in 1970. The current strike will be the biggest action on the issue since then.

Two trade unions, GMB and Unison, have coordinated their members’ actions. Unison regional organiser Mandy McDowell stressed that the effectiveness of the action would be enhanced by their members ensuring that there is “full life and limb cover for services helping vulnerable people” during the strike.

Over a 12-year period the city council, under different political leaderships (first Labour Party, now Scottish National Party) has rejected and fought legal claims for equal pay. The arguments led all the way to Scotland’s highest court, the Court of Session in Edinburgh.

The city council had introduced a new pay and grading scheme in 2006 which intended to put an end to pay inequality. But it was riddled with pay discrimination flaws and it was not until 2017 that the Court of Session finally found in favour of the women workers.

One positive outcome for the whole of Britain was the resulting removal of tribunal fees. These particularly affected low-paid women workers arguing for equal pay.

Negotiations with the council have made no progress since the decision despite more than 20 meetings over a 10-month period. The 2006 scheme had led to 14 disputes, 10 strikes and over 12,000 legal claims.

Calls for strike action grew. In September this year 90 per cent of 3,000 Unison members in education voted for a strike. So too did 99 per cent of over 2,000 carers working for Cordia, the “arms-length” company created by the council. A ballot of GMB members saw 98 per cent voting for the strike. ■



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**With much of its young workforce now abroad, Romania is utterly dependent on the EU...**

# How free movement is v

IN FEBRUARY this year there was a short news item in the Romanian news. An American automotive parts producer, Delphi Packard, announced that it was shutting its factory in Moldova Noua, in the south west of the country, because it can't get enough workers to enable full production.

That item didn't make it into the newspapers here. That's hardly a surprise: there's been plenty of discussion about the effect on Britain of the EU's free movement of labour – but little about its effect on the countries whose workers come to Britain to work. Those who champion free movement seem oblivious to the wreckage the policy leaves behind.

The 700 or so workers who were employed in the factory will swell the ranks of the local unemployed or, more likely, join the millions of their compatriots who have gone abroad in search of work.

## The old and children

Romania has become a country populated mainly by the old and by children. Working-age adults are thin on the ground, except in August and around Christmas, when they come home for a visit.

And land prices have slumped, says a September 2018 report by Colliers International. Properties in the capital Bucharest are just 50 per cent of their 2008 values – that's one year after Romania joined the EU.

While the British press is piling up scare stories of Jersey potatoes left to rot in fields when free movement to Britain ends, the nightmare of labour shortages has already hit Romania.

Describing an idyllic Bruegel-like harvest

**'For all the talk of an NHS crisis when Britain leaves the EU, the real crisis is in countries such as Romania.'**



Romanian border with Bulgaria.

Jagat Rashid/shutterstock.com

scene in the country's Maramures Valley, *Times* travel writer Chris Haslam noted this year, "Look closer, though, and you notice that unlike Bruegel's depiction of strapping youths and comely maidens, nobody in these fields is under 50 years old."

The young have gone. "The kids have left," one farmer sighed to Haslam. "My son is driving a delivery truck in Peterborough."

Since Romania became part of the EU in 2007, 3.7 million Romanians have left to work abroad (though they are still counted officially as part of the population). To put that number in perspective, in 2007 the working age population amounted to 14 million, so around a quarter of the country's workers have gone.

Many of those who left did so after 2014, when all restrictions on movement for work

within the EU were lifted for Romania (and Bulgaria, which joined the EU at the same time as Romania). Before 2014 some countries required work permits. Others, such as Ireland, had allowed unrestricted movement since 2012.

The result was an outpouring of workers – not just into low-paid unskilled manual work. It affected skilled workers, too. In the professions, where work permits are easier to come by, the exodus started even earlier.

And it came swiftly. One of the most acute areas of labour shortage is in medicine. For all the talk of an NHS crisis when Britain leaves the EU, the real crisis is in countries such as Romania. Between 2011 and November 2013 fully a third of Romania's hospital doctors left the country.

No wonder Professor Vasile Astarastoe, president of the Romanian

s increasingly a country of old people and children – and

# wrecking Romania



College of Physicians, talked to *The Guardian* about “a major crisis”.

“If you think that the situation is bad in Bucharest, in the rural areas it’s tragic,” he said in an interview, this time to the *Financial Times* in January 2014. “Those who used to operate there are now filling the gaps left from those who have migrated abroad.” In many rural towns and villages there are no doctors at all.

A year later, Viorel Husanu, president of national healthcare union Sanitas, told the news agency Agerpres that half of Romania’s doctors had left – 14,000 of them, along with 28,000 nurses. According to Deutsche Welle, Germany’s public international broadcaster, they were joined by 43,000 pharmacists. Estimates suggest that the bulk of the doctors have gone to Germany, France and Britain.

## Union rights attacked, too

IT’S BEEN well documented – and not just in Europe – that when the global financial institutions impose “structural adjustments” it leads to an increase in migration. Romania has had more than its share of these “adjustments”. You’d almost think that encouraging migration was a deliberate policy.

When the financial crisis of 2008 struck, Romania was hit hard. Cap in hand, it went to the EU and asked for €20 billion to keep itself afloat. The “Troika” (European Commission, European Central Bank, International Monetary Fund) that asset-stripped Greece was happy to oblige.

But there were conditions (as in Greece): workers’ rights, both individual and collective, were savagely cut. As the Institute of Employment Rights reported in 2016, new provisions made it easier for employers to hire and fire, as well as introduce “flexible” employment contracts.

Cross-sectoral collective bargaining was outlawed. Even sectoral collective agreements were hamstrung, and their number fell by 60 per cent. Public sector salaries were slashed by a quarter, along with reductions in benefits.

That is the EU, destroyer of trade union rights. ■

By 2017, even *The Independent* was reporting that a third of hospital positions in the country are lying vacant. In March this year, the government responded by raising medical salaries by 70 per cent, though Romanian doctors will still be able to earn two to three times as much by working in France, Germany and Britain, for example.

In order to fund the rise, the government hiked employees’ social security contributions by 25 per cent (at the same time as reducing employers’ contributions).

Romania is also haemorrhaging researchers. Around 20,000 now work abroad, according to the Romanian Association for Health Promotion – proportionately, as large a loss as the flight of doctors. These include many of Romania’s best scientists, which makes it harder for those left behind to gain science funding from the EU – virtually the only source available.

**“If you think that the situation is bad in Bucharest, in the rural areas it’s tragic.”**

Added to this, around 300,000 young Romanians have chosen to study abroad, in search of better education and better job prospects after they graduate. The result is a decimation of the talent available to the country.

### EU funding stranglehold

And there’s a further twist of the EU knife. With its skilled workers lured abroad and its economy severely damaged, Romania has become almost totally dependent on the EU. Most of its public funding – 70 per cent – comes from the EU’s regional funds (for comparison, EU regional funds account for 5 per cent of Austria’s spending). And 70 per cent of its exports go to other EU countries.

Meanwhile, a report from a German political institute, the Friedrich Ebert Foundation, in 2014 suggests that the outflow of workers is set to continue. Almost 80 per cent of young people (15 to 29) polled by the institute wanted either strongly (42 per cent) or very strongly (36.9 per cent) to be established outside Romania within 10 years.

The EU is turning Romania into a wasteland – and the worst is yet to come, according to the United Nations. It forecast last year that the country’s population, currently around 19,700,000, will fall to 16,400,000 by 2050 and below 12,100,000 by 2100.

That is the EU, destroyer of nations. ■

The referendum took a giant step along the road to freedom. require a change in our thinking, a belief in what Britain can b

# Brexit: self-confidence a

WE ARE at a crucial stage in a very long journey to freedom. We began as a people having to fend for ourselves, having to battle nature for a living. From the earliest days we had to be self-sufficient, there never has been a god who has provided for us; it's always been us who have very generously provided for gods, and their disciples.

After the development of agriculture enabled us to settle rather than roam, some interesting things happened. In this country, perhaps uniquely, before the Norman Conquest, ploughing began to be done in long single strips, chiefly around Nottinghamshire it appears. This seemingly innocuous development meant that ploughmen could plough while walking along next to each other and talk to each other while they ploughed. This quite possibly gave us the beginnings of what is rather grandly now called our democratic tradition – workers talking.

## Self-sufficiency

Through millennia we developed a species of self-sufficiency in politics. After the Black Death more than decimated the population, giving however the possibility to improve peasants' wages, we had the Peasants Revolt. When a King tried to rule without parliament, we cut off his head, and no monarch has successfully tried it since. Our Revolution took place 150 years before the French, and 250 years before the Russian.

We created another revolution, the Industrial Revolution, leading the world towards the beginnings of a material plenty which could only have seemed fantasy to earlier ages. And to survive that industrial revolution we had to create trade unions, to protect us from the ravages of an employing class which unchecked would have worked us to death.

We prevailed over a fascism heartily supported by pillars of the establishment from within the monarchy to the church, and from the Lords to the Commons. And we created a fine British achievement, the NHS.

In all of this was a self-sufficiency, a self-reliance. If we didn't do it, no-one would do

• This article is an edited version of a speech given at a CPBML meeting in London on 17 October.



Johann Knox/shutterstock.com

9 October 2018, Brixham, Devon: fishermen once again demonstrate for a future for their industry.

it for us. But, already a little over a hundred years ago, that self-reliance began to waver. We began to feel that we'd reached the limits of what we could, or perhaps should, achieve by standing on our own feet. We decided to turn our efforts away from our workplaces and instead join the old employers' talking shop, parliament.

So we created the Labour Party, and tried to delegate our thinking to it. "You go to parliament and do the fighting for us." This step into parliament, seen as so positive by a majority of workers, was the greatest imaginable step backwards. It marked a turning away from self-sufficiency towards what in time has become known as social democracy. It's as if we thought we could get someone else to do the ploughing for us.

Well, an unploughed field runs to weed, and our collective mind became quickly overgrown. A kind of national lack of confidence followed, especially as the generation that won the war grew older. We seemed to believe that we could not achieve progress by ourselves, or through just one governing class, but that we'd better have six govern-

**'Proud unions born in conspiracy opened offices in a foreign country.'**

But the job is not finished. Achieving independence will  
 be if we have the will to make it so...

# and renewal



ments instead, by agreeing to join the European Economic Community.

This lack of self-confidence came to a head during the dark days of Thatcher. At least before then workers organised in unions had relied on themselves. If they didn't achieve what their members needed there was no-one to blame but themselves. Then a bright idea dawned: perhaps we could look to the organisation Britain had joined, by then called the European Community, as a less harsh alternative to Thatcher's de-industrialisation.

No one can seriously have thought that Jacques Delors was going to re-open the pits, shipyards and steelworks Thatcher had brutally chopped. Almost overnight proud unions born in conspiracy centuries before

opened offices in a foreign country in the belief that progress lay in supplication. Decline of our class political role accelerated for decades.

But then, starkly, on 23 June 2016, there was a reassertion. A referendum result that shocked and frightened the establishment, nearly as much as it frightened and shocked the more timorous within our class.

Trade unions were spectacularly out of step with their members on the referendum issues, and still are. Many went so far as to accept EU funds to run Remain campaigns among members, often without any kind of mandate to do so. This, in spite of the fact that EU law bans industrial action which obstructs the EU's founding principles of free movement of goods, services, capital and labour – which just about covers everything that trade unions might ever need to take industrial action over!

## Jobs

One might think that unions would be concerned about unemployment, or pay – both massively affected by millions of workers arriving from EU countries. Six EU countries have average wage levels less than a third of Britain's minimum wage, and in another eight it is less than half. Brexit gives us the possibility to control this migration.

A Bank of England study concluded that a 10 per cent rise in the proportion of migrants is associated with a 2 per cent reduction in pay in the semi- and unskilled services sector. These are facts which Remainer trade union officials ignore, as do those pontificators whose livelihoods are not directly threatened by this migration.

Journalist Robert Peston has said that "immigration has shifted the balance of power between company and worker too far in the direction of the boss" – well if he can see that why on earth can't trade unions?

And reflect on this – any EU country can make anyone in the world a citizen, and then every other EU country has to accept that person as a citizen of theirs if he or she wishes to move there. At a stroke this makes it impossible for any country to control who comes into its sovereign territory.

When Britain joined the forerunner of the EU it meant workers were voting to be ruled from abroad again. In so doing they reversed

**'You should never take the British people for granted.'**

a decision made 462 years ago in 1511 when Dean Colet preached in St Paul's Cathedral in favour of the statute of praemunire and against rule by papal jurisdiction. Arguably it was this sermon – rather than Luther's writings in 1517 in Germany – which started the Reformation and the great overthrowing of outside control from Rome.

During our membership of the EU, and rule from Brussels, Britain has grown more slowly, seen more unemployment, and invested less than at any other time in our history. Calls to get out of the EU straitjacket grew as the malign effects of membership became more evident.

Eventually there was no way in which the establishment, and in particular its oldest political party, could prevent the tearing of its very fabric, and it called a referendum to drive a stake through the heart of anti-EU sentiment. For make no mistake, the referendum on membership was only called because Cameron and his crew thought they'd win it. It never crossed their arrogant little minds that the British people were not yet entirely cowed.

Well, just like Churchill in '45, you should never take the British people for granted. Some pro-EU types said that 40 years of anti-EU propaganda swung the referendum. No – it was the 40 years' experience of being in the EU that swung it!

So we started with working people talking to each other at the plough, and it was workers talking to each other that brought the referendum result when it finally came in 2016. The campaign was heavily loaded in favour of those arguing to remain in the EU. They spent just over £16 million; the Leave campaign £11 million. The media, and in particular, shamefully, the BBC was heavily

*Continued on page 10*

*Continued from page 9*

biased in its coverage.

It should be a source of pride that more people than many had thought possible dared to do the unthinkable and vote against the advice and threats of their “betters”. More voted for this one single thing, independence, than had ever voted for anything before. And special mention should be made of those brave young people in London who voted for independence in the face of varying degrees of intellectual intimidation.

In the end, 17,410,742 people voted to leave the EU; more than ever voted for Thatcher, Blair, or any other Prime Minister in history. So if the referendum result is somehow illegitimate, or the majority too small, then no government we’ve ever had has ever had a mandate to do anything!

Some call Brexit a “right-wing project”, whatever that might be. The key issue in the referendum was democracy. In a poll taken on the day, the biggest single reason for voting leave was “the principle that decisions about Britain should be taken in Britain”.

But anyone who thought that the vote in itself would lead to our leaving the EU straightforwardly has been proved to be naive. We can now see what should have been clear all along, that we have at least a two-stage process. The first stage is to declare independence – in the referendum.

But the second stage is to impose that

## **‘If the referendum is illegitimate, no government has ever had a mandate...’**

decision, to actually make it happen. We now have to ensure that the view of the majority is accepted, and not subverted, by an unholy alliance of newspapers, politicians, employers and trade unions.

### **Struggle**

Whenever independence has been achieved in the world, whether it was the Netherlands wrenching themselves away from Spain in a bitter struggle over sixty years, or the majority of Ireland becoming independent of Britain, it was not achieved by voting, but by a long and hard struggle.

The majority, those who voted to leave, together with a growing number of those who voted to remain but respect the decision of the people, have to ensure that if we’re not out in five months’ time, Britain becomes ungovernable.

So the saboteurs must be warned – stop undermining the express wish of the British

people, and accept with as much grace as you can, that our future lies outside the EU. And saboteurs, real saboteurs, do exist. Just as Lords Halifax and Rothermere egged on Hitler, there are those who egg on Brussels.

Gordon Brown, not usually given to overstatement, wrote this about the decision: “Historians will see the largest popular revolt against political, business and financial elites as the nearest Britain has come in centuries to a revolution.”

When a ruling class cannot rule in the old way, you’ve got half of a revolutionary situation, according to Lenin’s formula. The other half of it is when the working class will no longer be governed in the same way.

Well, let’s not overstate matters, but let’s not be blind to the writing on the wall either. If parliament blocks Brexit, if prevarication and procrastination become the precursor to our being locked in to a customs union preventing our independence, then parliament, not the EU, becomes the enemy because it will not carry out our will.

That is the significance of the place in history we find ourselves in.

We have to replace the thinking that created the mess we’ve endured – that left the solving of our problems to others, to parliament first and eventually to the EU. We need a more self-confident thinking that will lead us to rebuild our nation, alongside all other nations who will work with us to build a better world. ■



**CPBML/Workers**

**Public Meeting, London**

**Tuesday 12 February, 7.30 pm**

**“Brexit 2019: Let’s get on with it!”**

**Bertrand Russell Room, Conway Hall, 25 Red Lion Square,  
London WC1R 4RL**

The EU referendum seems like an age away – and it is. We should be out by now, but the enemies of democracy keep finding ways to spin the process out. They want to stop Brexit completely. We have to force politicians to do our will. Come and discuss. All welcome.

## Two closely related financial opportunities present themselves next year when Britain leaves the EU...

# Time for new rules



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BRITAIN HAS two closely related financial opportunities as we leave the EU. We will no longer pay into the European Central Banking system (ECB). And our own sovereign bank, the Bank of England, will no longer face legal constraints in financing our borrowing.

Over the past four years the ECB has embarked on a programme of quantitative easing (QE) to remove bad debt from the balance sheets of commercial banks on behalf of euro member states. But that debt exposure is still ultimately on the books of national central banks with Italian, Spanish and Portuguese debt most at risk.

In all £2.1 trillion has been committed to the purchase of government bonds; equivalent to 43 per cent of EU gross domestic product (GDP). Described as the biggest

**'It's as clear as day how our own domestic needs are constrained inside the EU.'**

monetary experiment ever conducted in modern history, it is scheduled to come to a close at the end of 2018/19 when Britain legally leaves the EU.

And then the US central bank, the Federal Reserve, decided in September to again raise US interest rates. The knock-on effect for the EU has been dramatic. In the light of the increase in US rates, the share price of eurozone banks has fallen by about a quarter in dollar terms since January this year.

US companies have been repatriating dollars held overseas to benefit from better US rates. This has depleted the available short-term funding for banks in the EU. Eurozone banks including Deutsche Bank, ING Santander, Société Générale and BNP Paribas are all in a parlous state.

### Opaque

Britain's current contributions to prop up these euro casualties are opaque because our "financial adjustment" is an EU treaty obligation – there is no parliamentary scrutiny or oversight.

In contrast, it's as clear as day how our own domestic needs are constrained inside the EU. The Bank of England is not allowed to buy government bonds to finance our

public sector borrowing requirement (PSBR). The PSBR pays for day-to-day public services in advance of year-end tax receipts. It's a sort of pay day loan running currently at around £75 billion annually.

This year tax revenues will exceed the PSBR, as was usually the case in the early Blair administrations. Otherwise any shortfall in tax revenue is added to Britain's national debt. However, the level of national debt has been manipulated recently due to the transfer of bad loans made by commercial banks over to the national debt through the Bank of England's quantitative easing (QE) programme.

In 2007 Britain didn't have much of a national debt at all at around 35 per cent of GDP. Due to QE this has since risen to around 86 per cent currently, still not high historically. In the early years after World War 2 the national debt was 250 per cent of GDP. That did not act as a constraint on re-industrialisation and the development of our public services.

A direct comparison between then and now is misleading, but the important political point is that a particular level of debt should not simply be seen as a means of suppressing a desire to re-industrialise and develop our public services.

At present finance to service the national debt is raised through the issue of government bonds (known as gilts, so-called because the first bonds had gilded edges). A high proportion is purchased domestically by insurance companies, pension funds, and the like. The taxpayer is liable for the yield in the form of interest payments.

Using student debt as an example, instead of students taking loans from private providers currently at around 6.3 per cent compound interest, the government could pick up the cost at 1.75 per cent fixed for a 30-year term. Applying these September 2018 long-term rates for a loan of say £40,000 for each student, the cost to the Government would be £61,000, the original loan plus simple interest over 30 years. The equivalent privateers' cost is around £250,000, paid by the student.

The same principle can be applied to refinance our industrial base free of the EU constraint on state aid. It's time to change the rules. ■

Despite progress in the universities pensions fight, the em understand – that there is no pensions deficit at all. It’s ac

# Pensions: thanks to the

MEMBERS OF the University and College Union (UCU) have just finished balloting on industrial action over casualisation, pay inequality and workload in higher education. In a message to members, the union called for the same high level of participation seen in the fight for pensions earlier this year – but members cannot take their eye off the pensions issue either. In fact, they are in danger of losing any pay increase they win to the costs created elsewhere by regulatory trickery on the pensions front.

As part of its resolve to keep open the biggest pension scheme in academia – the Universities Superannuation Scheme (USS) – the union persuaded the employers to set up a Joint Expert Panel (JEP) to review, independently, the valuation of the scheme.

That panel has now reported, and the UCU has welcomed the report, above all because thanks to their strikes, members now no longer face the immediate threat of scheme closure and the assumed pensions deficit is much lower than stated a year ago.

Hidden in the panel’s report is the suggestion that contribution rates will still have to rise – to more than 29 per cent. That is bad enough. Even worse, the JEP proposal runs counter to current regulatory requirements which are designed to produce a deficit and which, as at July 2018, imposed an end-loaded contribution structure that could well see contributions soar (see Table).

So UCU members still have a fight on their hands. Whether or not the JEP recommendation is considered acceptable the impact of the regulatory framework on contributions will cost them dear, and not only in take home pay for members. It could even prompt some university closures or the break-up of the current college structures.

And yet there’s no reason at all for increases in contributions, nor for cuts in benefits. In fact, based on interest rate history, the scheme can remain open to new joiners indefinitely.



Chris Bertram

February 2018: UCU members picketing at the University of Bristol during their successful pension

As a means of long-term planning, the current financial methodology applied to British final salary-linked pensions is based on fleeting interest rate movements and should be junked. And this methodology is overseen and enforced by the EU.

Take an evidence-based analysis of the pension landscape, and what emerges is a subtly led EU assault on British workers’ occupational pensions going back many years. Only by using evidence as a basis will an understanding develop about how our pensions system has been decimated and how the attack can be repelled.

The EU first dug its claws into British pensions in 1992 through the European Court of Justice decision in *Barber vs Guardian Royal Exchange*. This case determined that occupational pension schemes were sex discriminatory if they had different retirement ages for women and men. Note

that “equality” was achieved by raising women’s retirement age to that of men!

To add insult to injury, the retirement age for the state pension was put back in stages from age 60 for women and 65 for men to 68 for both. Yet more “equality” – this time administered initially through the European Court of Human Rights.

The next EU step was to change the way occupational pensions were valued. This took a little time to set up but was eventually smuggled in off the back of the EU’s Financial Services Action Plan of 1999 as implemented in 2000.

### Deliberate

The change meant occupational final salary pension schemes would have their valuations conditional on short-term market fluctuations – because managers were essentially forced to take account of whatever rates were in effect when the scheme was (periodically) valued. Despite the current bleating about “unforeseen outcomes” the desired EU regulatory objective was to throw up large theoretical scheme deficits against a backdrop of falling interest rates.

The change in 2000 was introduced under the pretext of protecting British

The future of USS contributions – under EU regulation				
	Current rate	From 1 April 2019	From 1 Oct 2019	From 1 April 2020
Member rate	8%	8.8%	10.4%	11.7%
Employer rate	18%	19.5%	22.5%	24.9%

employers still do not accept – and many staff still fail to  
 actually a destructive fabrication imposed by EU diktat...

# EU, it's not all over yet



UCU fight.

workers' pensions – making them safer by forcing unnecessarily high future contribution rates to be paid into schemes. But those who design pensions regulation are not stupid. The real aim since 2000 has been to give the appearance that ongoing final salary pension guarantees are unaffordable.

The evidence that the aim was to prompt pension closure is there for all to see. Hundreds of schemes have shut, and the USS scheme – Britain's largest in terms of assets – was one of the final targets.

The EU grip tightened in January 2011 when the European Commission created the EIOPA as a new Europe-wide supervisory authority. At that point, the EIOPA "empowered" Britain's Pensions Regulator with "state of the art" supervision rules. In other words, the Regulator would continue to take its orders from the EU but within the more formal EIOPA framework. Ever closer union.

In plain language, our pensions policy is made at EU level, and the Britain's domestic regulator is simply an enforcement agency.

Once the new valuation regime had been installed in 2000, all that was needed was for market forces to do the rest. In this respect the dramatic fall in interest rates since 2000 has played a key role.

Quantitative easing, providing cheap money to banks and forcing interest rates down, has been crucial to this ploy (see page 11).

Simply put, the lower the projected rate of interest, the more money is assumed to be needed now to hit a particular pension funding target at a future date. And all of this is based on guesswork at a moment in time.

Historical trends suggest it is likely that the interest rate cycle will revert to a higher pattern of rates than at present, especially as the costly policy of quantitative easing is progressively ditched. The timing of this unwinding is unknown, but the evidence is that when interest rates reverse it happens slowly at first and then suddenly. Those who study financial markets will be aware that the slow part of the interest rate reversion is currently in play.

UK rates have been at their lowest since records began around 1750. But the EU takes no account of longer term rate history. Instead, by using current super-low rates, it has given the opportunity for scheme managers and the Pensions Regulator to say there is too little money set aside in our final salary funds to pay pensions in the future.

## Guesswork

But that's little more than opportunistic – and politically inspired – guesswork at a time of record low rates. A wiser approach would be to look at interest rates over the past 200 years or more. During this period UK long-term rates tended to oscillate between 6 per cent and 2 per cent until relatively recently. In the 1970s they moved well above their historic band, only moving below 10 per cent after the European Exchange Rate Mechanism debacle of 1992.

Further, when you compare these past figures with present-day projected rates of around 1.7 per cent per annum for the next 30 years – the rates pension schemes are guided to – the historic disparity is obvious. This is reflected in more measured opinion in financial circles, where the view is that rates will shift towards between 3 and 4 per cent over the medium term, allowing other assumptions to improve.

This matters. Using the long-term averages based on financial history, current pension deficits are likely to disappear over time like the snow in spring. Even now rates are

**'Our pensions policy is made at EU level...'**

starting to unwind and pension deficits are beginning to fall, though the improvements are still unlikely to be linear in the short term.

Academics and financial commentators who like an evidence-based approach would enjoy reading the *History of Interest Rates* (updated in 2005; the first edition appeared in 1963) and later studies. All come to similar conclusions on the way interest rates revert to their historic average over time.

Even a short-term look shows how the EU's destructive set of interest rate assumptions work in practice. For example, what prompted the UCU's fight to keep their USS Pension Scheme open was the EU-inspired result of the USS actuarial review as at April 2017, showing a theoretical deficit of around £13 billion. By November 2017 the "deficit" was assessed at £7.5 billion. It now sounds as if it is around £4 billion and falling.

These figures over an 18-month period clearly show the type of deficit lottery that the EU's pensions methodology produces via its regulatory arm, EIOPA, whose diktat is delivered locally through its British franchise, the Pensions Regulator, based in Brighton.

Bill Galvin, who heads up the day-to-day running of the USS scheme, is a former chief executive of the Pensions Regulator. So he will be fully aware of the EU set-up and how it has been used against our British occupational pensions. But given the destruction he has been party to, it is unlikely he will want to share his EU insight with UCU members.

The good news is that with the brilliant referendum result in 2016 Britain will become an independent country outside the EU borders – and so we can now bin EIOPA and its supine local baggage.

In short, the UCU's fight to retain the university workers' pension scheme is a just cause. The history of interest rates is on their side. They need waste no further time poring over the EU's financially illiterate pensions drivel. It is entirely politically motivated and anti-worker to its core. ■

There's little doubt that biotechnology – or biotech as it's known in agriculture, as well as several other industries. The question is whether we should take control for a future

# Take control for a future



Image PopTika/shutterstock.com

THIS JULY the European Court of Justice delivered a body blow to biotechnology researchers in the EU by ruling – against much expectation – that the new technique of genome editing is subject to the EU's 16-year-old directive on genetically modified plants.

It's a ruling that pushed into the spotlight the little-understood world of biotechnology, where biological techniques are used to produce new pharmaceutical and agricultural products as well as biofuels and new biodegradable plastics. It also underlined once again why advanced industries are being hamstrung by the EU. The phrase "better off out" has never seemed so apt.

The case had been brought by a French agricultural union representing small farmers and a string of anti-biotech campaign groups including the French arm of Friends of the Earth. But the judgement will hand the initiative over to Europe's giant pharmaceutical and biotech concerns because they now become the only ones who will be able to afford to develop products based on the new technology.

The details of the case are technical, but the essentials are simple. The European Court has ruled that all genome editing (see Box, opposite) – and not just of plants – comes under the scope of EU legislation on genetically modified organisms (GMOs), even if the technologies involved have been developed since the directive was conceived and agreed. In other words, the EU is dictating that the future must be constrained by the past.

## Random

The irony – the scandal, actually – is that even the Court acknowledges that there are plenty of products on the market whose genomes have been changed without introducing genetic material from another species. For decades crop developers, for instance, have randomly bombarded seeds with massive doses of radiation to see what variants come up, while the new techniques of genome editing rely on replacing one known section of DNA with another, with highly predictable precision.

So the ruling exempts what are loosely

described as products that have been conventionally used "in a number of applications and have a long safety record". But it slams the door on new techniques.

The Royal Society, which represents a science community enamoured of the EU, responded with a muted statement describing the decision as "disappointing". But its conclusions point up the destructive impact of the ruling, pointing out that "new genetic technologies that the UK is at the forefront of developing now come under a regulatory approach that effectively prohibits their use".

The word "effectively" is no understatement. According to a German expert Sarah Schmidt from the Max Planck Institute for Plant Breeding Research in Düsseldorf, a trial to "prove" (to the satisfaction of the EU) the safety of a new product obtained by genome editing would now cost around \$35 million. That amount of money is out of reach for all but the largest multinationals, and even for them is a significant deterrent.

Speaking to *Science* magazine, Schmidt called the ruling "a death blow for

known – will be at the heart of the future of medicine and  
 on is, will it be at the centre of British industry?...

# for British biotechnology

plant biotech in Europe". Thankfully, Britain will not be subject to the directive – and the Court's ruling – when we leave next year.

That is particularly good news for British biotechnology, because the industry here, though large and thriving, is composed mainly of innovative small and medium-sized companies. Out of the EU, they will be able to afford to invest in new techniques and new products.

But the government's approach to Brexit is causing concern in the industry, as well as among researchers. People involved in biotechnology want to be free of EU restrictions (whatever else they might feel about Brexit). And on 13 September signatories representing 33 organisations wrote an open letter to agriculture secretary Michael Gove expressing their great concern over the impact of the EU ruling.

The spread of organisations is startling. It ranges from Britain's world-leading agricultural research institutes such as the John Innes Centre and Rothamsted Research to the National Farmers' Union and the Tenant Farmers Association, from Northern Ireland seed company Germinal to multinationals like Syngenta and Bayer.

## Chequers concern

And the detail of the letter is political dynamite. It's not so much that they point out how the ruling goes against Gove's stated commitment to developing innovative technologies. This coalition of academia and industry openly implies that it is concerned about the idea of a "common rulebook", one of the central pillars of the

**“The public and private research community and the agri-food industry need clarity from government ...”**

## How genome editing works

GENOME EDITING (sometimes also called gene editing) hadn't even been invented when the EU GMO directive came into force. Unlike standard genetic modification, which introduces DNA from another species, genome editing involves the deliberate modification of a specific sequence of DNA in a living cell.

It uses particular proteins (one of these is known as CRISPR) to perform a "find-and-replace" function on chosen genes. Researchers have already started using it in mice, for example to inactivate the defective gene sequence that causes Huntington's disease, which is currently incurable – it can't even be slowed down –

and always fatal.

While human trials are some years off – researchers and regulators will want to be confident that the technique will work safely and effectively in people with Huntington's – genome editing offers a real prospect of a simple one-dose treatment for people otherwise condemned to an early death. Cystic fibrosis is another disease that scientists think they will be able to cure with genome editing.

Agricultural researchers are also excited by the potential of genome editing to provide greater crop yields to feed a growing population without adding to stress on the environment. ■

government's Chequers plan.

"The public and private research community and the agri-food industry need clarity from government on how it will manage the implications of the EU approach to gene-editing alongside its proposals for a common rulebook between the UK and EU as put forward in the White Paper [the Chequers plan] published 12 July," the letter says.

Since then, one of Gove's junior ministers, George Eustice, has denied that the common rulebook will be a problem for gene editing – but that's merely an assertion (with no detail), and one that goes against the clearly stated intention on page one of the Chequers proposals: "The UK and the EU would maintain a common rulebook for all goods including agri-food..."

The likelihood, then, is that the government will encourage research – but that researchers might not be able to translate their findings into new products, even if they are sold only in Britain. But you can expect the research community and industry to campaign vigorously to ensure that they can continue to function.

Freedom from the EU will be a big step forward, but it is only one step. In the long run, Britain needs to use the full resources of society – including big state funding – to ensure that the industry can develop

its potential.

On the surface, all seems fine in British biotechnology. Last year saw new biotech companies launching on the stock market raising twice as much money as in 2016, according to an industry report. That same report also noted that Britain has more products in development than any other country.

But look closely and it becomes apparent that British finance capital is still failing to invest. Of the money raised in stock market flotations, 90 per cent came from the US Nasdaq rather than London's FTSE or AIM markets. (The problem is not particular to Britain – German biotech looks to the US for funding.)

## Investment

Investment is a problem that has dogged the development in Britain of innovative industries of all kinds for decades. One brief ray of light came in 1980s with the launch of Celltech, with strong support from the National Enterprise Board. But by 2004 it had been sold to a Belgian company, leaving Britain without a world-ranking biotech company.

Another major British biotech company

*Continued on page 16*



*Continued from page 15*

– like Celltech, emerging from work at the Medical Research Council’s Laboratory for Molecular Biology in Cambridge – was Cambridge Antibody Technology. But two years after Celltech that, too, was sold, to AstraZeneca. (One of its founders, Greg Winter, has just won a share of the Nobel Prize for Chemistry.)

That just about sums up biotechnology in Britain. Despite an outstanding research base, successful companies are few and far between – and those that really get established are then snapped up by the huge multinationals.

The lack of investment is coyly referred to as a “market failure” – the term economists like to use when they don’t want to criticise capitalism itself. Take the UK Bioindustry Association: “The early stages of drug development are considered

high risk, which limits sources of finance typically to specialist investors and increases the necessity for government support to address market failures.”

Politicians have responded by tinkering around the edges. In the 2017 autumn budget, the Chancellor announced moves to encourage more of what is curiously termed “patient capital” (yes, really) – as opposed to the normal mode of capitalist funding, which is decidedly impatient. But the size of the government investment, a £2.5 billion fund via the British Business Bank, will do little to solve biotech’s funding issues.

And money is only part of the problem. The funding woes result not just from the short-termism of British finance, but also its fragmented nature. At several steps in their development, innovative companies have to find funding from largely separate financial markets.

### ‘Valley of Death’

As a result, many companies disappear in the so-called “Valley of Death”, the period after the creation of a promising concept but before commercial success can be guaranteed. Others stumble in the face of new demands for regulation and marketing.

Tinkering won’t cut it. We don’t need a British Business Bank, or any other kind of

**‘Biotech is not a huge employer – but it is hugely important to Britain.’**

specialised financial instrument. We need a financial system dedicated to supporting innovation rather than making a quick buck.

Biotech is not a huge employer – but it is hugely important to Britain. An estimate from 2015 for the Biotechnology and Biological Sciences Research Council suggests that around 8,800 people work in biotech, spread over 255 firms. But it generates sales of around £2.9 billion a year, and exports of £1.5 billion a year.

It is also an industry for the future – particularly because of Brexit, rather than “despite” Brexit. A report on Britain’s biotechnology industry by Pharma Intelligence for the UK BioIndustry Association mentions Brexit “uncertainty” a few times, but actually 2017 was a good year for the industry.

## The green vendetta against artificial insulin

FORTY YEARS ago a young San Francisco company called Genentech made a scientific breakthrough: its researchers created a synthetic form of insulin, the hormone that controls levels of sugar in the blood.

It’s hard to believe now, but a century ago type 1 diabetes was a killer. People who develop it cannot produce insulin. They were put on starvation diets and would die within months. Then in the early 1920s scientists found a way to purify insulin from cows and started giving it to children with diabetes.

Their first patient lived for 13 years before dying of pneumonia. Their second lived to the age of 60 before succumbing to a heart attack. Now early deaths from diabetes are rare. And 10 per cent of the

British population lives with diabetes.

But insulin from animals was always problematic, causing a string of allergic reactions, and its supply depended on a complex process and a plentiful supply of cows and, later, pigs. And, of course, many people had religious problems with the origin of the insulin.

Synthetic insulin was a boon: easy to produce, it caused fewer allergic reactions and did not depend on a supply of animals. The problem for green extremists was that it was produced by genetic engineering.

And green extremism has long had a natural home in Germany. So when in 1984 the German company Hoechst announced plans to start producing synthetic insulin, the green lobby swung into action. So

effective was their campaign that it took 18 years for production to begin. No one can calculate what the detrimental effect was on Germans with diabetes, but the setback to the German biotech industry was severe.

Undeterred, green ultras have continued attacking all aspects of genetic technology. They seize on any allergic reaction to synthetic human insulin – and with millions of people using it, there are bound to be a few – but ignore the numbers allergic to animal-derived insulin.

Now the European Court, in a clearly political decision, unwilling to face down the zealots, has intervened to enforce the green agenda against science, common sense and progress.

Better off out, indeed! ■

“It’s very positive to see that [stock market launches] and follow-on financing were stronger than last year,” the report notes, adding, “and this shows that uncertainty around Brexit has not had a detrimental impact on the public markets.”

More significantly, the industry is chock-full of products under development – in the biomedical field it has more than three times as many candidates under pre-clinical development than Germany and well over double France’s total. At the other end of development, large-scale public trials, Britain also has more potential products than anywhere else in Europe.

### The ‘golden triangle’

Inside Britain, the heart of life sciences biotech is to be found in London, although both Oxford and Cambridge (the other two components of Britain’s scientific “golden triangle”) also make hefty contributions. Between them, the three cities draw in two-thirds of Britain’s investment in the sector. But in terms of investment, the capital city dwarfs anywhere else in Europe.

Since 2015 (when one French company had a big tranche of investment) London biotech companies have seen capital investment of almost £1.3 billion, more than Paris, Berlin and Madrid put together, according to MedCity in a report in January this year.

But everything is relative, and in biotech size is relative to the US. The biotech hubs in San Diego and New England each draw in more money and support more activity than all the countries in the EU combined. That includes huge investment into the US from Chinese venture capital funds – in the first nine months of 2018, Chinese investment accounted for 30 per cent of the US total, according to a report on forbes.com.

The US has a vast and established biotech industry, with world-leading universities. China has publicly declared it wants to be the industry’s world leader by 2025. Forget the EU (happy thought!). If Britain is to compete into the future, leaving the EU can only be the starting point. Such a vital industry cannot be left to the vagaries and failures of “the market”: as a country we must control all the levers of economic and financial power. ■

Photo courtesy Trabajadores, Cuba



**Cuban scientists working on new products to improve the health of the people.**

## Cuba’s thriving biotech

THERE IS ONE country where there is no “Valley of Death” where lack of investment chokes off new biotech products. In Cuba, all the services related to bringing a biotech product to market are integrated with research, and all finance is in the hands of the state.

National direction and control can yield dramatic results. The island nation of Cuba nationalised all its life sciences industries in 1961, and invested heavily in biotech from the 1980s on. Cuba’s biotech industry has had notable success with vaccines for meningitis B, hepatitis B and Hib.

How has it done it? Listen to the World Health Organization (WHO), reporting in 2015. “The Cuban government invested in its human resources development as the main asset for national growth and development... [the] “major critical success element is attributable to the government’s commitment in driving the national vision for health sector development.”

By 2012, Cuba had gathered all biotechnology and pharmaceuticals under one umbrella, BioCubaFarma. At the end of 2013, according to the WHO report,

BioCubaFarma had more than 21,000 employees “covering the whole continuum of skills requirements”.

Cuba has been making money out of biotech – estimates suggest annual output of more than \$500 million. But unlike in capitalist countries, it has done so not by looking to make a profit but by looking to make useful products that will be accessible to the public and increase health coverage.

“Cuba has become a global leader in the South-South transfer of technology,” says the WHO, “helping low-income countries develop their own domestic biotech capabilities, providing technical training, and facilitating access to low-cost lifesaving drugs to combat diseases such as meningitis B and hepatitis B.”

American researchers, too, have been impressed. And in September 2018, New York State governor Mario Cuomo announced the first US/Cuban biotech venture, to be located at Roswell Park, New York. Work will centre around an innovative treatment for cancer developed in one of BioCubaFarma’s institutes. ■

**Many in Labour, the TUC and the Remain-leaning unions oppose the renationalisation of rail. The reality is very different...**

# The EU barrier to control

THE LABOUR Party has made much of what it describes as its “flagship policy” to return Britain’s railways to public ownership. This policy is supported by all the rail trade unions and the TUC.

The problem is that inside the EU, Jeremy Corbyn’s plan to renationalise the railways would certainly be deemed unlawful – and that is before the bundle of directives and laws known as the Fourth Rail Package (see below) is agreed and implemented. He would then be faced with the impossible task of convincing all member states to change EU treaties and laws.

In fact despite its election pledge to respect the referendum result, Labour is now sliding towards supporting continued membership of the EU, with pro-EU rail unions Unite and TSSA pushing it hard in that direction. But it’s a direction that would doom Britain’s railways to eternal privatisation.

With good reason the EU has been described as a form of neoliberal government writ large, crushing democratic rights of peoples beneath the higher law of the market. The market and competition come first, last and middle. EU law always sides with capitalism against the interests of workers, as evidenced by the infamous Viking and Laval cases ([www.tuae.co.uk/the-terrible-tale-of-the-eu-and-trade-union-rights/](http://www.tuae.co.uk/the-terrible-tale-of-the-eu-and-trade-union-rights/)).

The single market is defined in the Single European Act of 1986 as “an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured.” No wonder then that the EU is so popular with finance and monopoly capitalism here in Britain, because of the constitutional protections it provides to them.

Given the high political profile that the issue of rail nationalisation has, it comes as no surprise that the two biggest rail unions have campaigned to leave the EU. Both the RMT and Aslef are fervent supporters of rail nationalisation, but unlike TSSA they understand that the EU is the most significant barrier to achieving their key aim.

The late RMT leader Bob Crow was clear about the threat posed by the EU. He attacked the EU’s “Fourth Rail Package”, which aims to enforce the fragmentation and privatisation of domestic rail services across the EU, including the compulsory competitive tendering of rail passenger services and



Dave Porter/shutterstock.com

separation of infrastructure and operations.

He pointed out that the EU’s proposals to create a Single European Rail Market would entrench privatisation in the UK and reverse gains that had been made recently. Make no mistake, he said, “the intention of the Single European Rail Market will be to encourage a widespread attack on the jobs and conditions of rail workers and to use social dumping to encourage a race to the bottom of rail workers’ conditions.”

Accordingly RMT advised its members to vote Leave in the referendum, saying that “EU laws will make it impossible to bring all of rail back into public ownership.”

## Diktat

The current RMT general secretary, Mick Cash, said before the vote that the failed Tory privatisation of rail over 20 years ago using EU directive 91/440/EEC was now being imposed on 500 million people by EU diktat without a mandate.

“This rail package is designed to priva-

tise railways across Europe and its proposals are remarkably similar to the McNulty report on the future of GB railways, imposing further fragmentation and attacks on workers...

“It is impossible to make changes to this privatisation juggernaut inside the undemocratic EU so the only solution is to get out by voting Leave on June 23.”

Aslef General Secretary Mick Whelan said, “The Fourth Railway Package will... force a structure which has been an abject failure in this country on the rest of the EU. It will remove any chance of a future British government establishing an alternative way of running the railway here”.

Even the pro-EU union TSSA opposed the package “because the Union’s policy is one of support for public ownership which would be impossible if these proposals became law across the EU.”

Of course the Fourth Rail Package has not been implemented – yet! There is little doubt that it will be, albeit with some

contend that EU membership does not prevent the

# Control of our railways



amendment, but the core aims will still be there. It's the latest in a series of directives that have enforced a separation of infrastructure and operations and opened both freight and international passenger services up to competition.

True, the EU does not specifically ban state-owned or publicly owned railways – Brussels says it has no policy on privatisation. But then it doesn't need to. EU directives are driven by two key aims – “liberalisation” and “competition”.

The Office for Rail and Road (ORR), the British rail regulator, comments that the EU aims to create a single, efficient and competitive market for rail throughout Europe – opening markets, promoting competition, and tackling barriers to market entry.

The EU in its previous incarnation as the EEC issued its first directive (91/440/EEC) back in 1991 – indeed, this was the blueprint used by John Major for the Tory government's privatisation of Britain's railways from 1994 to 1996, an enterprise that Thatcher

had put in the “too difficult” box. Britain was the first to abolish its own state owned railway corporation, and only Sweden has followed suit.

This first directive decreed the separation of infrastructure from train operations, and with the express purpose of creating a competitive market. Inevitably, this has meant private operators running trains in competition with each other and with publicly-owned operators, driving costs down principally by attacking workers' pay and conditions – the race to the bottom referred to by Bob Crow.

As a consequence state-owned railway corporations across most of the EU have been pressured to become more commercial, and act like private companies. This means that they have elbowed out or even gobbled up many smaller private players and diversified beyond the railways, especially into buses and trams. German state railway DB bought British firm Arriva and much of Britain's passenger trains and buses. It even runs NHS ambulances.

## Pressure

These state-owned corporations now dominate the British passenger rail franchise system as well as gaining significant contracts in many other countries. And they are often just as rabid as the private sector in their attacks on workers, especially outside of their own countries. Once the element of competition is introduced, pressure builds on employers to cut costs to stay competitive – and the easiest way to cut those costs is at the expense of the employees.

And many of those state-owned rail corporations in the EU have been prepared for future privatisation, with at least parts of the companies being sold to private shareholders. Many smaller countries' state-owned firms no longer run freight trains as their freight arms have been taken over by bigger countries' state railways, another consequence of competing operators.

Subsequent “packages” of directives have reinforced the position and, as has been shown on a number of occasions, the competition has not only led to attacks on workers' pay but also on safety. Directive 2012/34/EC explicitly provides for member states to go beyond the requirements of the

**“The EU's fourth rail package rules out reinstating mainland Britain's old state monopoly.”**

directive in “liberalising” their railways. Further details of the EU law relating to rail can be found on the ORR website.

Nicole Badstuber, a researcher in urban transport governance at the London School of Economics and UCL, says: “my reading of the fourth rail package is that it categorically seeks to dismantle incumbent state monopolies in other EU countries. **This rules out reinstating mainland Britain's old state monopoly, British Rail** [Badstuber's emphasis]. While public sector organisations will still be able to run rail services, any service or route will need to be contracted out and not simply awarded.

“By liberalising the European rail industry, the fourth rail package is continuing a longstanding EU objective. The EU appears to share the British ideological mindset of the 1990s that led to a fragmented rail network and privatisation. It is arguing for this under the mantra that competition will bring better and cheaper services for passengers. ...The EU package may not strictly require privatisation but it is definitely designed to create an environment conducive to this.”

The terms of the current government's review of the broken rail franchising system clearly show its commitment to retaining and extending private ownership in the industry. No country in the EU has yet tried to reverse a privatisation. To do so would be to move in the polar opposite direction to that of the EU.

Once we leave the EU, a change in our own national policy is all that is necessary to allow renationalisation. Britain's people will have it in their power to bring about changes that will be in the interests of workers. But if Britain is still either in the EU, or tied to the EU single market or its rules, then the task will be impossible. ■

**Not everyone in the arts is in love with the EU. A new play has been putting the other point of view...**

# Brexit on stage



Paul Nicholas Dyke

The two Brexiteers toasting "Sunderland!".

FULL HOUSES have been flocking to the Union Theatre in London for *People Like Us*, a new play by Julie Burchill and Jane Robins. Advertised as a play about sex and Brexit, it chronicles the polarising effect of the Referendum on the relationships of five members of a North London book club.

The play features two Leavers and two europhiles. The fifth character, given to understatement, glosses over some fundamental differences of opinion in his

desire for harmony.

Set on the eve of the vote, the opening act begins with a portrayal of the sort of pre-existing tensions found in many British families, workplace or friendship groups as they are forced to consider their stance towards the EU.

The first thing the audience sees is an interior that proclaims itself to be the home of an intellectual but pretentious convenor of the club. We see Rothko prints, and arty soft furnishings. In one

**'Burchill and Robins have written a brave and seditious play for our times...'**

hilarious exchange when characters threaten to wreck a precious chair the owner cries: "Oh no! Not the Mies van der Rohe!".

His French girlfriend prefaces her patronising remarks with words we hear today even years after the vote: "Speaking as a European..." she sneers at "perfidious Albion", "silly bigoted Brexiteers", "sans-culottes" (a reference to working-class French revolutionaries), "in the bottom set at school", while Remainers are "nice adult progressive liberal people like us".

The second act opens on the evening the Referendum results come in: "a bit of a hiccup" apologises the fifth friend, to roars of audience laughter.

## Jubilant

Then Remainer grief sets in, with French tantrums, while the two female Leavers are jubilant. Despite being ejected from the club, they hail the end of cheap labour and the start of an exciting democratic future. They take a provocative pop at EU promotion of Islam, and at virtuous readers of the *Guardian* and *Financial Times* with their devotion to decaf and "safe spaces".

Exaggeration and caricature is part of the comedy: so criticism seems churlish. Burchill and Robins are not on a par with Mike Leigh, but they have written a brave and seditious play for our times.

And to be fair, they invest the Remainers with a degree of sincerity, no matter how misguided their passion. With some pruning in the first act and more substantive arguments for optimism in the second they should please audiences from South Wales to Sunderland, whichever way they voted. ■

## A writer's perspective

JULIE BURCHILL writes (in the programme notes): "Against the orders of our betters, we oiks reclaimed our democracy, and were practically delirious with the joy of insurrection....Our idea was to create a demented drawing-room drama...in the genial pre-referendum world, then again once the Brexit genie was out of the bottle and the Remainers were in psychological meltdown..."

"Our theme, we decided, was shunning. It was happening all around us – a Brexiter friend of Jane's had a boyfriend

who refused to meet her elderly grandparents, assuming them to be racists. They split up over it. A teacher friend was told to eat her lunch alone in the IT room... Another friend, a musician, came out as a Leaver – and all his work dried up.

"As in the other arts, there is a cultural totalitarianism in the theatre today. Our play is not just a play about Brexit, but about the intolerance of those who have spent their lives defining themselves as tolerant." ■

**A new book marshals the arguments for Brexit, and exposes the ambitions of the EU...**

# Handbook for leavers

*Brexit: the Road to Freedom*, by Will Podmore, paperback, ISBN 978-1916427174, i2i Publishing 2018, £9.95. Kindle edition also available.

LEAVE CAMPAIGNER Will Podmore's latest book is a comprehensive overview of the field of Brexit history, the current situation, and the future which becomes both possible and needed once we have left the EU.

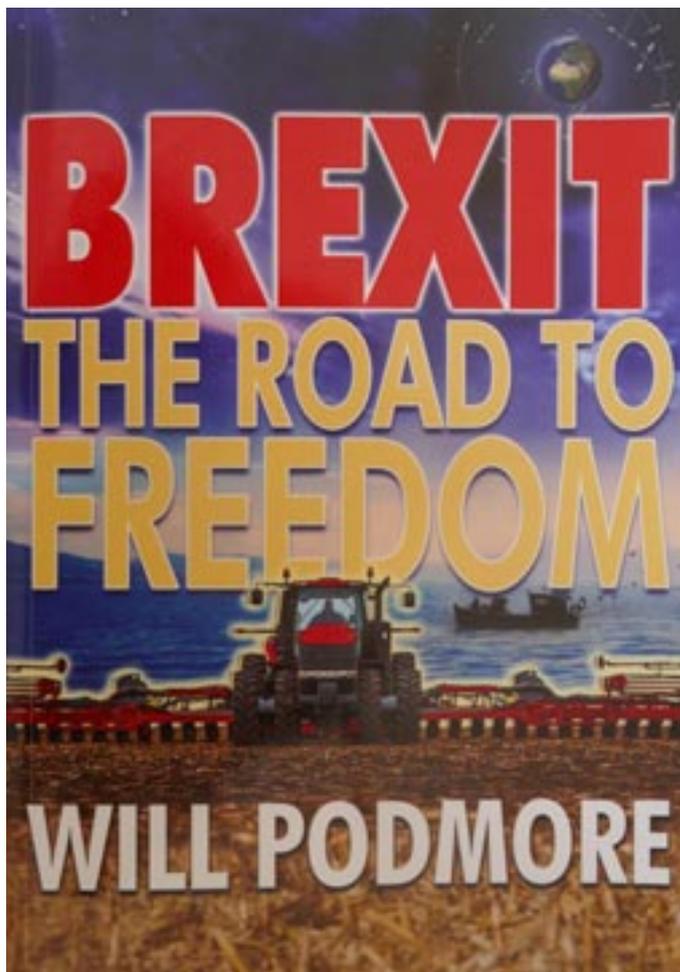
It's hard to think of any aspect of the Leave debate, both pro and anti, which the author doesn't cover in some detail. If you find yourself in the midst of a Brexit argument in the pub or while campaigning in the street, this is the book for you.

He begins by looking at the powerful history of democracy in Britain, from the Magna Carta in 1215 to the EU Referendum vote in 2016, and how the European Coal and Steel Community set up in 1951 evolved into the European Union we know so well today.

On the way the author reminds us of the once proud strand of Labour thinking which valued British independence, quoting Clement Attlee in 1962:

"I have read the Treaty of Rome pretty carefully, and it expresses an outlook entirely different from our own... The fact is that if the designs behind the Common Market are carried out ...there would be no national

**'It's hard to think of any aspect of the Leave debate... which the author doesn't cover in some detail.'**



A "comprehensive overview".

planning, except under the guidance of Continental planning – we shall not be able to deal with our own problems."

And again: "Unfortunately in this country the propaganda for entering the Common Market has been largely based on defeatism. I believe in a planned economy... I have no prejudice in a Britain planned for the British by the British."

## EU austerity

In an excellent chapter on economic aspects of the EU, the author looks at the EU's policies of austerity, forced onto member states wherever possible, the creation of the euro, and Project Fear.

And along the way, the author examines the reality of British payments which have

poured into the bottomless pockets of the EU, showing how the famous £350 million a week claimed by the Leave campaign was in fact an underestimate!

Subsequent chapters deal with the Scottish 2014 Referendum, and the nature of the 2016 EU Referendum – its validity, and how many who piously talked about "respecting the outcome of the vote" had no intention of doing so, and have in fact organised to overturn it. And it shows that a key reason given by Leave voters for how they voted was the principle that decisions about the UK should be taken here.

## Rights

Brexit opponents from the "left" often raise the issue of workers' rights, attributing them to a beneficent EU. This book shows in detail how the opposite is true, and that rights under British law were won by British workers themselves.

And in the same vein, the book deals with the "free movement of workers". This does not benefit our class, but on the contrary it frees up employers to set up shop wherever in the EU they want, and drives down pay and conditions.

Later chapters deal with such issues as "is the EU a force for peace?" (it's not – the book shows how it does the opposite), the nature of the EU's move towards a super-state, and the farce of the so-called negotiations on Britain's withdrawal, where the EU has been allowed to call the shots.

The final chapter looks ahead, to what can be possible when we leave the EU. At last Britain will be able to make its own decisions and plan for an independent future. It will be essential that the people themselves assert control and don't sit back and leave it up to the politicians who have made such a mess of Leaving.

*Brexit: the Road to Freedom* is highly recommended. ■

Driven by the jostling of aggressive empires, the First World War was the working classes of Europe at a point when they were

# The First World War: 1914-1918

THE FIRST World War was a far-flung war between imperialists. It inflicted terrible slaughter on working people, causing an estimated 17 million military and civilian deaths with a further 20 million wounded.

Before the outbreak of war in 1914, the world had been through a period of unprecedented economic and colonial rivalry. The economic fortunes of the great powers had shifted rapidly. And there was a massive upsurge in working class activity in many European countries.

Alongside the intensifying conflicts and rivalries of the capitalist empires a rigid set of imperial alliances developed, which locked the market competitors into implacable opposition and inevitable hostility.

This was a time of rising and declining capitalist powers, a dangerous mix of emerging and waning imperial forces. They strutted across the world looking for advantage, both economic and territorial. The capitalist powers of Europe also competed for colonial expansion especially in Africa and the Far East.

These imperialist rivalries necessitated a rapid growth of militarisation, best exemplified by Germany's attempt to rival Britain as the world's greatest naval force. That led to a shipbuilding arms race.

## The profit motive

And as is the case today, financial capitalism's pursuit of profit was the main force driving bourgeois politics to its own ends – whether nations were ruled by parliaments or royalty.

Relentlessly, the powers across Europe divided into two rival alliance systems that were based on distrust and competition. These were the Triple Alliance (Germany, Austria-Hungary and Italy) and the Triple Entente (Britain, France and Russia).

By August 1914 these alliances dragged nations into war on the most specious of grounds. Quickly the war spread to practically all European countries because of the hidden alliances. And with the great powers' empires, the colonies also entered the war; so it soon became a world-wide war too.

The world war was not entered into by belligerent rulers to defend "plucky Belgium" or to protect Serbia. These were just helpful excuses to hide the deeper currents at work



British infantry from The Wiltshire Regiment attacking near Thiepval, 7 August 1916, during the Battle of the Somme.

and trigger general warfare. The real war aims were rarely, if ever, proclaimed by the great powers. They sought territory and spheres of influence, trade and profit advantage, control of raw materials and trade routes. And above all they wanted political, economic and military domination of more vulnerable nations. In other words they ruthlessly pursued their pre-war aims.

The only force that might have prevented the outbreak of world war – the working classes of Europe – did not do so. The social-democratic Second International had declared grandly in 1907 and 1912: "Should war nevertheless break out, it shall be the duty of the social democracy to work for a speedy peace, and to strive with every means in its power to utilise the industrial and political crisis to accomplish the awakening of the people, thus hastening the overthrow of capitalist class rule."

The reality was different. As the brave German communist Rosa Luxemburg observed in 1915, "The first thunder of Krupp cannons in Belgium welded Germany into a wonderland of social harmony." It was the same across Europe, with a working class retreat into "defence of nation, defence of empire".

Working men in uniform killed each other in the "methodical, organised, gigantic mur-

der" of world war rather than strive for social progress. The major social democratic parties of Germany, France and Britain rushed to vote for war credits and clamoured against fictitious enemies.

Arms and munitions companies profited from sales to both sets of combatants. They even cooperated on armament products, as was the case with Krupps and Vickers. In armaments the profit motive trumped patriotism and traduced morality. A war that lined the pockets of arms companies and their shareholders shattered communities and devastated families across the continent.

For the first two years in the British Army, particularly in the infantry, Pals battalions were raised from workers who had enlisted together in local recruiting drives. During the Somme offensive in 1916, out of the 700 men of the Accrington Pals, 235 were killed and 350 wounded in a mere

**'The real war aims were rarely, if ever, proclaimed by the great powers..'**

World War undermined  
in an upswing...

# 14-1918



**Battle of the Somme.**

twenty minutes. The Sheffield City battalion suffered 495 dead and wounded in one day. Such dreadful losses were all too frequent.

Because total war was waged in Britain, governmental planning and direction were encouraged. That situation allowed working people to make some gains in certain areas of life – there was, for instance, a mobilisation of women into the national workforce – it did not transform the awful nature of the war itself.

## Clear

Against the trend of accommodation, there were a few clear thinkers who did not cave in. For instance, German communists did their best to turn the tide, but for the most part workers' opposition was isolated. Ultimately Lenin and the Bolshevik Party in Tsarist Russia pursued a lone path. They convinced Russian workers to withdraw from the imperialist war and make the October Revolution of 1917 instead; a breakthrough event that is still without equal.

The contemporary world shares many of the conditions that existed before 1914, and warmongering is becoming fashionable again. It is sensible to ponder on the choices and consequences of the working class response to the First World War, and be forewarned. ■

Worried about the future of  
Britain? Join the CPBML.

# NO ADVANCE WITHOUT INDEPENDENCE

The Communist Party of Britain Marxist-Leninist held its 17th Congress in 2015. The published Congress documents are available at [www.cpbml.org.uk](http://www.cpbml.org.uk). At that time the need to leave the EU was urgent, and on 23 June 2016 the working class of Britain took the vital step to eject the EU from Britain and entered a new epoch. The tasks identified at the 17th Congress remain as relevant as ever, and the decision to leave the EU makes the question of Britain's independence immediate and practical. The tasks facing the working class and Party are:

**Develop a working class industrial strategy** for the building of an independent industrial manufacturing base for Britain, including the development of our energy industry. Our capacity to produce is the basis for providing the public services the working class needs.

**Rebuild Britain's trade unions** to embrace all industries and workplaces. The trade unions must become a true class force not an appendage to the Labour Party or business trade unionism. Reassert the need to fight for pay.

**Preserve national class unity** in the face of the European Union and internal separatists working on their behalf. Assert workers' nationalism to ensure workers' control and unity. Resist the free flow of capital and the free movement of labour.

**Oppose the EU and NATO (USA) militarisation** of Britain and Europe and the drive towards war on a global scale. Identify and promote all forces and countries for peace against the USA drive for world domination by economic aggression, war and intervention. Promote mutual respect and economic ties between sovereign nations on the principles of non-interference and independence.

**Disseminate Marxist theory and practice** within the working class and wider labour movement. There is no advance to socialism without Marxism. Develop again our heritage of thinking to advance our work in and outside the workplace.

**Re-assert that there are only two classes in Britain** – those who exploit the labour of others (the capitalist class) and those who are exploited (the working class). Recruit to and build the party of the working class, the Communist Party of Britain Marxist Leninist.

## Interested in these ideas?

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# The punishment bloc

**'Transition is a mirage, a spin doctor's term for continued membership.'**

EVER SINCE the referendum the EU has been clear: the only deal it wants is a punishment deal, to discourage other EU members from following our example. Like an abusive partner, the EU wants to punish us for daring to think of leaving.

And recent shenanigans in Brussels and London suggest there are some in Britain happy to go along with this plan. Why not extend the transition, they say. Another year. Another 15 months. Another 20 years, perhaps. Wait until every last detail has been examined, revised, assessed and approved by our Remainer parliament, and we'll transition for ever.

And meanwhile Brussels is weaponising the Irish border issue, making a mountain out of a molehill, to try to force us to stay in the EU and its customs union. In 2016 Northern Ireland voted as part of the UK, which voted to leave the EU and its customs union. So, now the whole UK, Northern Ireland included, must leave.

Under May's "backstop", Northern Ireland would stay under EU single market rules and inside the customs union. So either the EU splits Northern Ireland from the UK, breaching the Good Friday Agreement, or the whole UK stays in the EU's customs union.

It would also breach May's many pledges that leaving the EU means leaving the EU's customs union. The only solution consistent with our referendum decision is to drop the backstop.

The head of Irish customs has said that it is "practically 100 per cent certain" there need be no customs facilities along the border. Jon Thompson, Permanent Secretary at Her Majesty's Revenue and Customs, agreed it is "perfectly possible that absolutely nothing happens at the border".

Thompson told the Brexit Select Committee that a streamlined customs arrangement could "cover the vast majority of the trade between Northern Ireland and Ireland" and that any checks could be "intelligence-based" and "well away from the legal border". Even the European

Commission confirmed in November 2017 that there was no need for physical border checks in Ireland.

May's Chequers scheme surrenders to the EU by tying us back into indefinite, perhaps never-ending, membership of the customs union. Transition is a mirage, a spin doctor's term for continued membership.

And note that May's offer (rapidly rumoured to have originated in Brussels) to extend the "transition", made so casually, invited a bill to the British taxpayer of around £18 billion in EU fees. She has become a luxury Britain literally cannot afford.

The only deal the EU wants is one that keeps Britain under its control and still paying its exorbitant membership fees. Listen to Witold Waszczykowski, Poland's foreign minister, on 29 November 2016, "Brexit may never happen and Britain should stay in the European Union for as long as possible. Poland's interest [is] that Britain remains a member of the EU and pays into the bloc's budget for as long as possible."

That was 2016, and in the two years since then the EU's financial woes have become even more pressing.

By now, it should have just about finalised its budget plans for the next six-year cycle, to run from 2021. But agreement is nowhere in sight.

That's not surprising, given that the EU still doesn't know how much money it will have. It wants a bigger budget – grants are its key lever of control over nations – but its members don't want to pay more. Some, like the Netherlands, are saying this explicitly.

The European Commission's plan to raise the research budget by cutting regional and agriculture expenditure has run into a brick wall with opposition from central and eastern Europe. Next year's elections to the European Parliament could see an influx of the dreaded "populists".

Running out of time, and running out of money, the EU is in no position to force Britain to stay in. And our own government should stop pretending otherwise. ■

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***Brexit: let's get on with it!* lays out the need for a clean break with the EU, along with how achieve it. Essential reading for those looking to implement the referendum vote.**

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