

Brussels creates a desert and calls it peace

The decision by Nobel judges to award the Peace Prize to the European Union as it drives millions into poverty has been derided around the world.

report by **Brian Denny**

It is possibly the sickest joke since US secretary of state Henry Kissinger won it in 1973 while overseeing the fascist coup in Chile and the secret bombing of Laos.

The Nobel committee claimed that the EU had turned "a continent of war to a continent of peace" while rioting and protests take place in many eurozone states suffering from EU diktat.

RMT general secretary Bob Crow said that awarding the prize to an organisation behaving like a colonial overlord in Greece, Spain, Portugal and elsewhere was "ludicrous and deeply cynical."

"EU austerity policies, which even the IMF is now baulking at, are causing mass unemployment, record suicide rates and permanent economic decline in order to shore up a dying currency - the euro," he said.

For the EU to create an economic desert for millions of workers in Europe while claiming to have preserved peace in Europe is just unsustainable.

EU institutions sparked the war in Yugoslavia in 1992 after John Major agreed illegally to recognise Croatia following massive German pressure

during Maastricht Treaty negotiations in return for an opt-out of the euro.

Campaign Against Arms Trade also expressed surprise that the EU had received the award, with five of the world's top 10 arms exporters being EU states.

Many of those weapons are sold to EU-backed tyrannies including Saudi Arabia and Bahrain.

Spokeswoman Kaye Stearman said the EU "had done nothing to limit or restrain" such sales by member states.

Former Tory foreign secretary Malcolm Rifkind added to the farce by suggesting that the EU ought to share the peace prize with the NATO military alliance - which accounts for 70 per cent of world military spending and has bombed and invaded sovereign states including Yugoslavia, Afghanistan, Iraq and Libya.

The burgeoning EU army which has been developed out of the German-Franco Brigade and Eurocorps is also active in a number of war-torn hotspots around the world in order to secure resources for monopoly capital in Europe, particularly Germany, France and Britain. This is what was meant by Commission President Jacques Delors when he stated that a European Army was required to fight the resource wars of the 21st Century - hardly a policy for peace. See pages 6-7

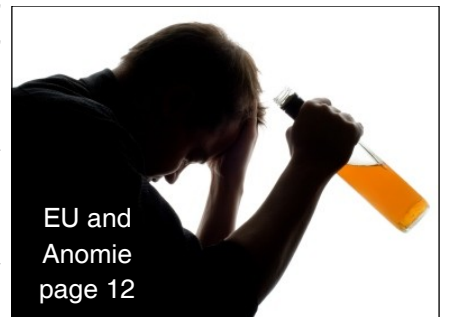
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IMF policy based on a false theory

Nobel Peace Prize

I do not wish to seem ungrateful for my one five hundred millionth of a Nobel Prize. However, if entire continents can now win this once-prestigious award, might I suggest Antarctica.

It has never invaded anyone, has never produced an empire, has never known slavery, has almost no poverty and, per capita, has one of the highest standards of living in the world.

Indeed, almost the entirety of the population have third-level education: a true knowledge economy.

Pity about the weather.

Yours etc.

Stephen Fitzpatrick

Dublin

(Letter *Irish Times* 13.10.12)



Jam jars

When you make your next batch of blackcurrant jam you are not allowed to re-use your old jam jars. If you do you are breaching EU rules 1935/2004 and 2023/2006 which prevent containers being used unless they are designed for that specific purpose. It is up to local authorities environmental health officers to enforce the regulations and penalties can reach a maximum of £5000.

Apologies

We apologise for the late publication of this issue. The main problem was that the previous issue slipped as well and it is very difficult to catch up.

The IMF's World Economic Outlook, published on 8 October, contained a serious revision of the way its experts calculate the so-called "fiscal multipliers".

Like the treasury in Whitehall, the IMF had assumed that each one euro of cuts and tax rises takes 50 cents off GDP growth. Now, because of the paralysed banking system and the co-ordinated nature of austerity which prevents countries from recovering through exports, the Fund estimates the impact is between 0.9% and 1.7%. That is twice to three times as high and is a massive revision. This explains why the Fund has been unable to predict correctly the outcome of austerity measures including the capacity for developed economies to take a double dip.

Why common sense was not used is a mystery. Of course the real purpose of the blanket austerity policies put in place across the EU, including Britain, are conveniently put out of sight.

As has been said in these columns the banking and financial crisis is being used as a *carte blanche* reason for cutting public sector spending and handing everything to the private sector

The test bed for the Fund's new economics has to be Greece, where the government was given until 18 October to pass a new round of austerity measures. If it does not, the threat hangs over Greece that it won't receive 31bn euros in bailout money and will go bust by the end of November.

Following the revelation IMF chief, Christine Lagarde, called for more time to be allowed for austerity measures to be implemented. However there was no let up by the ECB and European Commission pressed by Germany.

The IMF has predicted the Spanish economy will contract this and next year by 1.3% compared to a government forecast of 0.5%.

EU court to rule on Irish complaints

by Andrew Rettman of EUObserver

The European Court of justice, with all 27 judges, in Luxembourg is due on 23 October to hold its first hearing on an Irish challenge to the EU bailout fund, the European Stability Mechanism (ESM).

Based in a small office in Luxembourg, run by a German economist, free from political or judicial oversight and set to dole out €500 billion of taxpayers' money to floundering eurozone countries and banks, the ESM came into life on 8 October in a meeting of eurozone finance ministers.

It has already survived one challenge in Germany's constitutional court and one in Ireland. But the Irish government ratified the ESM treaty and is to pay its first instalment of €500 million into the pot next week despite the Irish judges' referral of three questions to the EU tribunal.

The questions - put by lawyers on behalf of independent Irish MP Thomas Pringle - revolve on conformity with the Lisbon treaty.

The first query is whether EU countries were right to tweak EU law on permanent bailout structures back in 2011 by using a

"simplified procedure" - envisaged for minor technical changes - instead of holding a full-blown intergovernmental conference. The second one is whether the ESM violates the so-called "no bailout" clause, article 125, of the EU charter.

The final question is whether eurozone states were right already to ratify the ESM even though the tweaked-version EU treaty only comes into force on 1 January.

If the EU judges rule against it, the ESM, its ratification and any payments made to Luxembourg will be deemed illegal. The EU court has fast-tracked its judgment in order to "remove uncertainty" on the "financial stability of the euro area" and pundits expect it to say *No!* to Pringle.

In a sign of strong interest in the case, Irish National Platform noted that over a dozen other countries filed papers to the court.

The ESM is galling for the Irish public because eurozone hawks, such as Germany and Finland, have said it cannot help on old bank debt - the main problem facing the Irish exchequer.

"Ireland's total commitment [to the ESM] is in excess of €11 billion. By contrast, there is no fixed commitment by the ESM to support Ireland," National Platform said in a statement. (23/10/2012 EUobserver)



Stop the raiding parties



Statements by government ministers have deliberately given the impression that they have serious reservations about the EU and get very close to being anti-EU.

This is misleading and muddies the subject of EU membership. Included in the confusion is that of holding an in-out referendum on EU membership. Even that has been watered down to negotiating a new relationship with the EU. A statement in Germany by William Hague, the foreign secretary, that a minimalist EU should be created adds to the deliberate confusion.

This is a repeat of the trick used by Harold Wilson in 1975 two years after Britain joined the European Economic Community, known as the Common Market.

One further objective of the Tory leaders is to head off the right wing UKIP challenge for Tory votes. This is an indication that the far right want to take over the anti-EU stance of the majority of the electorate.

Make no mistake, the real position of the Tory and Lib-Dem leaders in Government is to put in place yet more austerity and privatisation. In addition to what has already happened, which is bad enough, there are to be further attacks on the welfare state, pensions, NHS, education, wages, conditions at work and what is left of the public sector.

The government has chosen to ig-

nore completely and hide the fact the IMF has admitted that the austerity policy does not work, is counter-productive and actually causes a decline in a country's economic performance.

All these attacks and policies are common in some form or other across the EU, especially in the eurozone. It must not be forgotten that we are in the penultimate stage of joining the euro and the budget is scrutinised and has to be approved by the Commission. Britain has lined itself up with the criteria and is lending money to prop up the euro, and hopes to make a profit as well.

The labour movement must not take a knee jerk reaction to the alleged Tory impression of opposition to the EU and must continue support for the EU and eurozone.

The example of Greece should be plain for all to learn from. In Greece medieval-like raiding parties led by the Chancellor of Germany are stripping out Greece's assets. Part of the operation includes privatisation and ruthless attacks on the welfare state, pensions, health service, education, wages, conditions at work and what is left of the public sector - worse, but exactly identical to that taking place in Britain.

The way towards a rational development of Britain is for the left to take the lead and remove Britain from all the tentacles of the EU and re-establish the right to self-

determination and national democracy and independence. If the left does not carry out this fundamental responsibility the far right will with tragic and dire consequences. Again the example of Greece is clear and must be acknowledged. Golden Dawn in Greece has emerged to contest the left in an attempt to gain control. The left in Greece have stated that the only course to take is for the country to leave the EU to end all the misery and deprivation.

The fundamental line which divides politics in Britain, as elsewhere, lies between those who support and those who oppose this country ceasing to be a sovereign state and effectually being turned into a regional or provincial state in what is now constitutionally a supranational EU federation, whose key policies are decided by its big member states, in their own interests. There can be no compromise on this issue. The longer that steps are not taken the harder it will be to put all things on a proper rational course.

Demonstrations against the Con-Dem cuts took place on 20 October but the labour movement needs to go further with action. That includes a General Strike but also requires its own policy to leave the EU which would dump the austerity policies at the same time.

That is the rational objective which will benefit the peoples of Britain.

Eurocrisis Greece

Foreign Minister on EU Budget

Britain's Foreign Minister, William Hague, was due to tell Germany to give Britain powers back, or risk EU collapse.

"He will fire the warning shot as Britain and Germany continue to clash over the size of the future EU budget. He will tell a German think-tank: 'This Coalition Government is committed to Britain playing a leading role in the EU. But I must also be frank. Public disillusionment with the EU in Britain is the deepest it has ever been. People feel that in too many ways the EU is something that is done to them, not something over which they have a say.'" (Daily Mail 23.10.12)

Latvia to join eurozone

The Prime Minister of Latvia has stated that severe austerity policies has enabled the country to meet the criteria to join the euro. Part of the accession to join the EU is to join the euro. This is expected to take place in 2014.

Latvia has seen large emigration of its population, especially young skilled people

Spanish Regions

Several of Spain's Regional Governments have asked for bailout funds to avoid bankruptcy. The regions have been given rubbish levels by financial institutions who give out ratings.

Regional elections on 21 October produced different results including support for and rejection of austerity policies. In the Basque country the nationalists have moved to a position where three out of four lawmakers in the regional government are separatists. The ending of ETA's direct action last year has aided the political situation and opportunities

Where does all the money go?



General Strike against austerity policies - Demonstration in Athens on 17 October

"Where are the 130 billion euros of aid to Greece going?" The response by the German quarterly *Die Gazette* is unequivocal: financial institutions outside of Greece will get 40 percent of the rescue package, Greek banks 23 percent, and the European Central Bank 18 percent. The remaining 19 percent earmarked for financing needs in Greece itself.

In other words, more than 80 percent of the rescue package is going to creditors – that is to say, to banks outside of Greece and to the ECB. The billions of taxpayer euros are not saving Greece. As the *Democrat* has reported before – they're saving the banks.

For the German quarterly, the ambi-

tion to reduce the country's debt from 160 percent to 120 percent of GDP by 2020 is an "illusion". An IMF economist has made clear that austerity doesn't work.

The outcome so far means Greece is dominated financially and economically within the supranational eurozone. However, as recent demonstrations and strikes have clearly shown the Greek people are not broken socially where huge demonstrations and strikes continue despite the ugly provocation by police and fascist gangs.

Who's taking Greece's assets?



Amid mass protests, the German Chancellor visited Athens to promote new opportunities for German companies. "Privatisation of state enterprises and infrastructure must be accelerated", was the demand in Berlin even during the time preceding Merkel's visit.

The Chancellor remembers all too well how the German Democratic Republic's enterprises were liquidated, and therefore knows how to pluck out a country's industrial fillets to sell them off to profit-seeking investors. This has been part of the austerity policies, including privatisation, dictated by the ECB, IMF and Commission

Interested Germans such as those in the Chancellor's delegation were in a privileged position, through the creation of "special economic zones" in Greece,

which has been Berlin's long time demand.

A spokesperson for the German government recently commented on the effects of the German austerity dictate, which has led to the impoverishment of the population, saying "**we have succeeded in reducing the unit labour costs by double-digit percentage points**".

Foreign policy experts in the German capital attribute the mass protests during the delegations visit to **misunderstandings** and recommended that Berlin undertake targeted PR measures, to impede future resistance to German policies of domination. They allege that the Greek population is "badly informed, but has a right to comprehensible press releases" for more in depth explanations of the German austerity policy.

General strikes called across Spain, Portugal and Greece on 14 November

Spain's main trade unions on 19 October called a general strike for November 14. This will coincide with similar work stoppages in Portugal and Greece. They are to protest against government-imposed austerity measures and attacks on labour reforms.

The general strike called by the Workers' Commissions and General Workers' unions will be the second in Spain this year. A partially successful stoppage was held on March 29.

A spokesman for the Workers' Commissions said it would be the first ever joint general strike in Iberian neighbours Spain and Portugal.

The General Workers' Union in a statement said the strike had been



Strike breaking bus halted in Spain during general strike on 29 March 2012
Note the passive use of stickers

called to press for a change in government policy because "cuts are strangling the economy and dismantling our social model".

Germany's resurgence?

Applauded by the German President and officials of the German government, the laureate of a prominent German cultural award made a plea for smashing China to pieces. China is a "heap of rubbish," he said, it must "be dismembered", insisted the Chinese author, Liao Yiwu, a resident of Germany, who was awarded the prestigious Peace Prize of the German Book Trade last Sunday. His acceptance speech, in which he made a plea for dismembering his native country, received hefty applause from German President Joachim Gauck and other government officials.

This diplomatic affront occurred only a few days after the German Foreign Minister and his Chinese counterpart had signed a "Common Declaration," in which Berlin declared its intentions to enhance its "strategic partnership" with Beijing. On the one hand, this declaration has resulted from the fact that, because of China's economic strength, Germany, for the time being, needs a certain form of cooperation, not only to satisfy the business interests of its enterprises, but also to get support in solving the euro crisis. On the other hand, the applause for Liao's recent anti-Chinese invectives shows that Berlin still considers Beijing as its rival to be combated, on a long-term basis.

(16.10.12 *German Foreign Correspondents*)

France ratifies Euro-pact

The French parliament's passage of the EU's Fiscal Pact has sealed the defeat of French President François Hollande in Paris' power struggle with Berlin.

Hollande won last May's elections also due to his announcement that he would oppose the German austerity diktat, which his predecessor, Nicolas Sarkozy had proven unable to prevent. With the anticipated parliamentary decision in favour of the Fiscal Pact, he will have been defeated once and for all.



Berlin's proposed symbolic concessions, to assuage France's continued resistance to the German austerity diktat, are and have been just as unsuccessful.

The beginning of mass protests and serious frictions are weakening the French coalition government. To eventually catch up again to Germany's clout, in the aftermath of the defeat in the struggle against Berlin's austerity diktat, Paris is embarking on France's "reindustrialization". Reports circulating in Berlin say that there "is nothing left" of a German-French balance of power.

(9.10.12 *German Foreign Correspondents*)

EU news

EU Expansion

Croatia's accession to the EU is being held up by Slovenia which refuses to ratify Croatia as an EU Member. This is because a Croatia Bank is suing a Slovenian bank over a dispute about funds deposited there before the break up of Yugoslavia.

The Commission has said that Albania, Kosovo and Macedonia should take steps to join the EU.

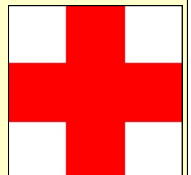
A problem for Kosovo is that five EU Member States do not recognise Kosovo as a sovereign state. The Commission has proposed a way around this by tabling a Stabilisation and Association Agreement (SAA).

Although not an official member of the eurozone, Kosovo adopted the euro in 2002.

Serbia's application to join the EU is conditional on recognition of Kosovo which Serbia stands firm against.

Red Cross in Spain

In Spain the Red Cross has switched funds from war ravaged countries to launch a public appeal using a flag day to raise funds to help 300,000 people in Spain. The unemployment is just over 24% - the highest in the EU. Those hit hardest are young people with 51.5% out of work - that is one in two.



Abbreviations

ECB European Central Bank
ESM European Stability Mechanism
EFSM European Financial Stabilisation Mechanism
EFSF European Financial Stability Facility
IMF International Monetary Fund
PSI Private Sector Involvement
SAA Stabilisation and Association Agreement

EU Army

Western
European Union
A military pact



An attempt to form a European Defence Community in 1954 was rejected by the French National Assembly. Soon after this the Western European Union (WEU) was formed by amending the Treaty of Brussels. This military institution was a political step which enabled Italy and West Germany to join the WEU and opened up authorisation of West Germany's rearmament.

On 5 May 1955 West Germany joined NATO despite widespread opposition, including demonstrations in Britain and USSR objections.

On 14 May the Warsaw Pact was formed as it was clear that NATO was lined up against the east and central European socialist countries. This pact was an alliance headed by the USSR.

From around 1955 the WEU remained moribund as a political device to be dusted down, activated when required and used to advance the Euro-federalists objectives of "European integration" and a European Army.

The WEU brought together member states in concerted military campaigns of some Common Market members.

Since the end of the cold war, WEU institutions and tasks have been folded into the EU's Common Foreign and Security Policy. This was legalised with the inclusion of a "solidarity clause" in the Lisbon Treaty. The WEU treaty was terminated in 2010 and defunct in 2011 but with the original objective of a European Army in place.

Franco-German Brigade - Eurocorps - European Army

Eurocorps

An intergovernmental, standing army corps with HQ in Strasbourg was created in May 1992, activated in October 1993 and operational in 1995. This is known as the Eurocorps.

Five EU Member States participate in the Eurocorps – Belgium, France, Germany, Luxembourg and Spain. Additionally Greece, Poland, Italy and non EU Member State Turkey contribute personnel to the staff. Austria and Finland second staff.

The Eurocorps comprises of 1,000 soldiers stationed at the HQ in Strasbourg.

Overall the armed force available to the EU can consist of up to 60,000 troops pledged for deployment in both EU or NATO rapid-response missions. The nucleus of this force is the Franco-German Brigade of 5,000 troops.

The Brigade was set up in 1987 and became operational in 1989. It is a mechanised infantry unit.

In 1998 at a Franco-British summit in St Malo, the Prime Minister, Tony Blair, reversed opposition to that of support for a European Army of 60,000.

In 2009 the Treaty of Strasbourg legalises Eurocorps and tucks it into EU legislation in line with Lisbon Treaty as part of the EU's Common Security and Defence Policy (CSDP formerly CFSP).

An EU Military Committee of Chiefs of Defence in the EU is responsible to the High Representative for Foreign Affairs as part of the European External Action Service.

Since the European Union was first thought of the objective has been to have one currency, one market and one army. It has been Germany who has exerted most pressure in this direction.

It was Jacques Delors as Commission President who stated that a European Army was required to fight the resources wars of the 21st century.

As the following list of Eurocorps operations indicate it is not a humane force for distributing food and milk powder!

“A force for and Atlantic

Summary of operations

January 2003-June 2012 (EUPM) EU Police Mission in Bosnia and Herzegovina.

March –December 2003 (EUFOR CONCORDIA) EU Military Operation in Macedonia using NATO facilities.

June-September 2003 (Operation Artemis) EU Military Operation in the Democratic Republic of Congo was first military operation without assistance of NATO and key step in developing ESDC (CFSP) where France was "lead" EU Member State.

December 2003-December 2005 (EUPOL Proxima) EU Police Mission in Macedonia follow on from EUFOR CONCORDIA.

July 2004 (EUJUST Themis) EU Rule of Law Mission in Georgia to support Georgian authorities in challenges to the criminal justice system and reform process.

August 2004-February 2005 Eurocorps lead NATO mission ISAF in Afghanistan.

December 2004 (EUFOR Althea) EU Military operation in Bosnia and Herzegovina. Transfer of power from NATO's SFOR which was to see Dayton agreement was carried out.

April 2005-June 2007 (EUPOL Kinshasa) EU Police Mission in Kinshasa, Democratic Republic of the Congo, to set up Congolese Integrated Police Unit.

June 2005 (EUSEC RD Congo) EU Security Sector Reform Mission in Democratic Republic of the Congo.

July 2005 (EUJUST LEX) EU Integrated Rule of Law Mission for Iraq. Judicial mission to train judges, magistrates, police and penitentiary officers

July 2005-December 2007 (AMIS) EU supporting action of African Union mission in Darfur in Western Sudan

the European Union Alliance”

September 2005-December 2006 (AMM) EU Monitoring Mission in Aceh, Indonesia of implementation of the peace agreement between the Government of Indonesia and the Free Aceh Movement (GAM).

November 2005 (EUBAM Rafah) EU Border Assistance Mission for the Rafah Crossing Point between Egypt and Gaza

December 2005 (EUBAM) EU Border Assistance Mission to Moldova and Ukraine.

December 2005 – June 2006 (EUPAT) follow on from EU PROXIMA in Macedonia 2005.

January 2006 (EUPOL COPPS) EU Coordinating Office for Palestinian Police Support for civil police, security sector reform and criminal justice.

June-December 2006 (EUFOR RD Congo) EU military operation in support of UN mission MONUC during elections.

July-December 2006 Eurocorps lead land component command of NATO Response Force (NRF7)

June 2007 (EUPOL Afghanistan) EU Police Mission to Afghanistan to last at least three years.

July 2007 (EUPOL RD Congo) Established as successor to EUPOL Kinshasa. This country has large deposits of untapped raw materials.

February 2008-September 2010 (7) EU Mission in Support of Security Sector Reform in Guinea-Bissau.

October 2008 (EUMM Georgia) EU Monitoring Mission in Georgia.

November 2008 (EU Naval Operation Atalanta) EU Naval Force Somalia. Twelve month mandate to combat piracy in Somalia.

Since December 2008, the EU has kept five to 10 warships off the Horn of Africa in an operation known as Atalanta where NATO has a similar anti-piracy flotilla– AP

December 2008 (EULEX Kosovo) EU Rule of Law Mission in Kosovo after 2008 Kosovo declaration of independence.

March 2008-March 2009 (EUFOR Tchad/RCA) EU Military Bridging Operation in Chad and the Central African Republic MINURCAT in deployment of 3,000 troops to protect refugee camps with UN who then took over. Chad has large oil reserves which are shipped out via a pipeline.

February 2009 Treaty of Strasbourg legalises eurocorps as rapid reaction force in conjunction with NATO. The text was originally signed in Brussels in November 2004 by Germany, France, Belgium, Spain and Luxembourg.

May 2010 (EUTM in Somalia) EU Training Mission in Uganda to “strengthen Somalia’s security forces”. Fishing off the coast has been wrecked by factory fishing vessels based in the EU. Fishermen have had to resort to pirate activities.

2011 (EUFOR Libya) EU military operation in Libya Proposal agreed by European Council to send ground troops into Libya to back up air offensive but not carried out.

July 2012 (EUCAP NESTOR) EU Regional Maritime Capacity Building for the Horn of Africa and the Western Indian Ocean. This covers area of key shipping lanes.

July 2012 (EUCAP Sahel Niger) EU “Capacity Building in Niger”. Niger has large uranium deposits.

October 2012 The EU foreign ministers are considering sending a military mission to Mali to reconquer rebel held north.

Emblems



NATO Rapid Reaction Force includes Eurocorps



Eurocorps coat of arms



Euromarfor EU Navy force

BAe and an industrial strategy

by Dave Hawkins

Barely a week after Vince Cable's announcements of a *New Industrial Strategy* and a *Key Strategic Partnership* in aerospace, it's National Defence Champion BAe Systems (UK ownership guaranteed by the Government's £1 (sic) vetoing golden share) was leaked to be in negotiations for a take-over by Franco-German rival EADS. BAe was to be sold as a revival of the EU project of a military-industrial-complex to compete with the US. The merger foundered on the underlying realities of inter-US, UK, Franco German rivalry.

Cable's subsequent silence has been deafening.

BAe - a brief history

Formed in 1977 by a merger of the British Aircraft Corporation, Hawker Siddeley and Scottish Aviation as a nationalised corporation, BAe was privatised by the Thatcher Government in 1981. Within three years its name was to be continuously linked with allegations of bribery and corruption (see BAe corruption timeline below).

In 1985 BAe received £44m in Government subsidies for the privatisation and takeover of Rover Group

Motors. In 1987 it acquired Dutch dredging company Ballast Nedam for £47m. Both were sold during 1993/4 for £800m and £175m respectively to fund a shareholder payout. The sale of Rover to BMW marked the end of British-owned mass car manufacturing. Ballast Nedam had been extensively involved in the 'Al Yamamah One' arms deal (see BAe corruption timeline below).

During the 1990s BAe expanded into the US arms market joining Lockheed Martin's Joint Strike Fighter project. In January 1999 it merged with GEC's Marconi Electronic Systems to create BAe Systems the world's largest arms dealer.

Into the US

Following 9/11 and the US declaration of the 'war on terror', the Homeland Security Programme and invasions of Afghanistan and Iraq between 2001 and 2009 US arms spending rose by 9% per annum, a total increase of \$850bn.

Amid a stream of acquisitions of US defence companies, in 2003 BAE declared a 'strategic bias for expansion and investment in the US'. In 2005 it formed BAe Systems Inc, a 'firewalled' semi-detached business

operating under a US 'Special Security arrangement' run by a board dominated by security cleared US politicians and retired Generals, its' British board approving financial transactions but having no access to US security sensitive information. Previous board Chairman retired Gen Anthony C Zinni being recently succeeded by former US Secretary of Homeland Security Mike Chertoff.

Expansion into the US had serious strategic implications for BAe selling its 20 per cent stake in Airbus in 2006 in order to fund it - its last remaining interest in civil aviation. Unfortunately it bet wrong: the passenger business boomed while defence sales slumped.

In 2009 within two years of purchase BAe was forced to write off a quarter of the price of its biggest US acquisition Armor Holdings.

Since 1995, BAe has rolled over businesses worth £22bn, spending £18bn on acquisitions and selling companies worth £4bn - a number dwarfing its current £13bn enterprise value. But the trip did prove lucrative for its investment bankers Goldman Sachs, Morgan Stanley and UBS reaping huge fees putting together and dismantling BAe's suc-

BAe A Corruption Timeline

1983

The first 'Al Yamamah' Saudi arms deal.

BAe is accused of £multi million bribes paid to middlemen and Saudi Princes. In a deal PM Margaret Thatcher was personally involved in brokering son Mark who was accused of illegally receiving £12m for acting as a No10 go-between.

2003

The 'Al Yamamah Two' deal triggers a second wave of allegations.

Revelations by the Guardian newspaper of a BAe £60m slush fund prompts an investigation by the Serious Fraud Office (SFO).

2005

BAe refuses to comply with a compulsory order to disclose details of its middle east payments.

2006 Dec 14

10 days after the Telegraph reports, Saudi Arabia had threatened to cancel the deal. PM Tony Blair announces in Parliament the dropping of the investigation in the interests of national security and, to maintain Saudi co-operation in counter terrorism activities.

for Britain



cessive changes of direction.

With sales falling by 14% and profits down 7.5% in 2011, BAe cut 3000 UK jobs including 900 at Brough and closing the entire site. It also hired consultancy firm LEK to review the options for its British shipbuilding business, citing the possibility of closure or sale of one of its three shipyards in Scotland and southern England. BAe also carries a £5.2bn pension deficit.

An industrial strategy for Britain

But while BAe played the corporate raider, courtesy of privatisation, financial deregulation and huge arms spending, for most of UK manufacturing this recipe proved a disaster.

Accounting for almost 30% of national income in 1979 employing 6.8 million people, by 2011 this had fallen to 11.4%, employing 2.5 million. As capital fled abroad seeking the fastest returns, overseas assets of UK companies rose from 29% of GDP in 1981 to 410% in 2006, starving UK industry of investment and entrenching the power of the City. Conversely deregulation triggered a wave of foreign (predominantly US)

takeovers of UK companies. Repatriation of their profits combined with the decline in manufacturing exports resulted in the UK's current huge Balance of Payments deficit.

As long as these conditions, enforced by EU law requiring the free movement of capital, goods, services and labour, continue to shape the UK economy, all the ConDem talk of an industrial strategy will remain just that.

Britain's most urgent needs are for:

- * **industrial renewal and a source of reliable renewable energy to power it**
- * **Taking BAe and Rolls Royce back into public ownership**
- * **Cancelling the Trident submarine programme and redirecting the money, skills and resources into the development of tidal and wave power**
- * **Rebalancing the economy away from armaments toward low carbon industries, ultra low carbon vehicles, digital industries, life sciences and pharmaceuticals**

All as per the TUC's 2009 resolution. That would be an industrial strategy for Britain.

2007

The SFO begins investigations into BAE illegal payments to a South African defence minister involved in a £1.5bn contract won in 1999. Also confirms probes into deals in Romania, Chile, Czech Republic, Qatar, and Tanzania. In June the US Department of Justice launches investigation into BAe's compliance with US anti-bribery laws.

2010

BAe agrees to pay a \$400m fine admitting defrauding the US over the sale of fighter planes to Saudi Arabia and East-

ern Europe. £30m settlement reached with the SFO related to "breaching its duty to keep accounting records" in Tanzania. SFO drops all further prosecutions of BAE.

2011 July

BAe subsidiary Armor Holdings agrees to pay \$16M to resolve US criminal and civil charges of paying bribes to win contracts for UN peacekeeping missions and commissions paid to win business from foreign governments.

Military matters

Drones

EU firms have joined the gold rush on military and civilian unmanned aerial vehicles (UAVs). But ethical and legal questions dog the technology.

The global UAV market is worth \$6 billion (€4.6bn) a year and will hit \$12 billion by 2018, according to US forecaster Teal Group.

It is not a real market. Currently, military-industrial complexes in China, Israel, the EU, Russia and the US make drones for their armed forces and sell them to close allies.

"China has made a copy of the predator - the pterodactyl. It's identified a hole in the market for attack UAVs and it plans to sell more widely. This will force everyone to sell more widely ... I've traced 51 countries which are interested in acquiring this kind of technology, but I'm sure there are more out there," Noel Sharkey - a British robotics professor who advises the military - told EUobserver.

The predator is notorious for CIA officers who sit in Langley, Virginia and launch rockets at people in Pakistan with no judicial or congressional oversight.

The next step on the military side is combat drones (Ucavs) which can fly in "dirty" theatres of conflict - places with decent anti-aircraft defences. Another step is autonomy - drones which fire weapons based on algorithms because the human operator is too slow or cut off by electronic jamming. One future Ucav is the Darpa Falcon - the US says it will fly at 21,000 kph and hit a target anywhere on the planet within 30 minutes of take off. Israel's Harpy already works by hovering in the air and sniffing out radar signals. If it senses one, it cross-checks a database of friendly radars then fires autonomously - even if the enemy radar is sitting on a school or hospital

Quiz No. 131

What are the following phrases?

1. NOONT
2. **JUMBO**
3. NOTIC
4. REVILO
5.

EE E ARR.
EE E DEP.

Answers No. 130

1. Right under your nose
2. Two's company, three's a crowd
3. Good intentions
4. Son of a gun
5. Divide and conquer

ACROSS

- 1 DNA found in cells
- 6 Box.
- 9 Europhile.
- 10 Bubble.
- 12 Petty crime.
- 15 Clumsy.
- 17 Group of fish.
- 18,27 Let them eat cake, she said.
- 19 Proud.
- 20 Sweeten bad news.
- 24 Behind.
- 25 distance ballot.
- 26 Small bird.

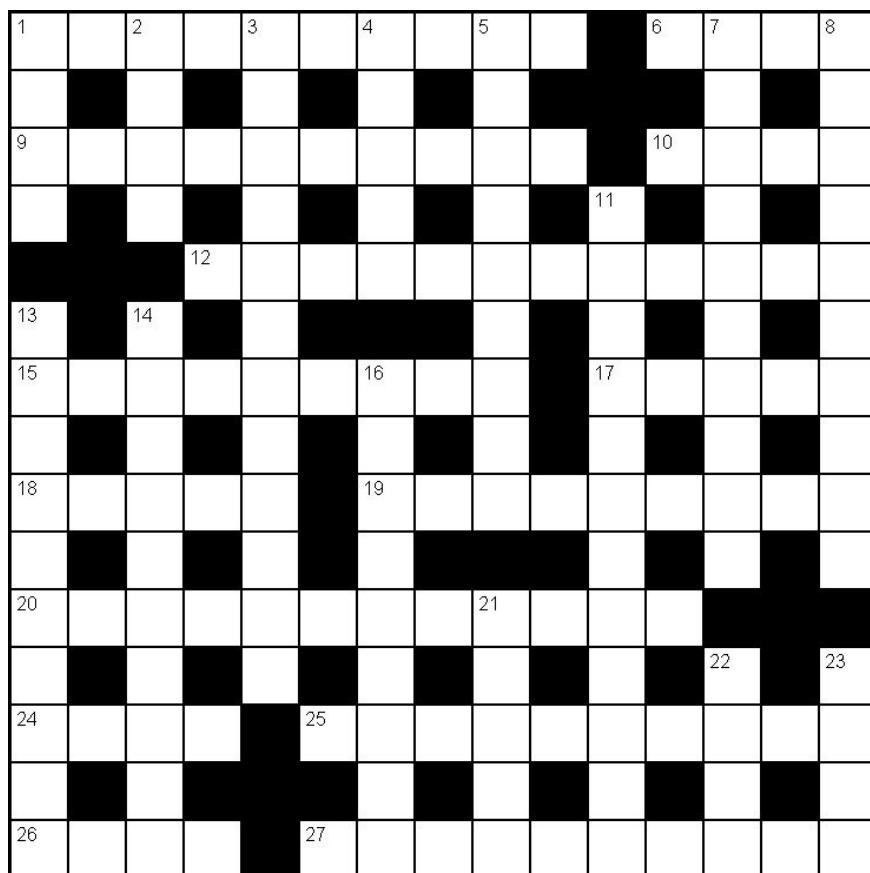
DOWN

- 1 Bottom of sleeve.
- 2 Abrupt.
- 3 Rifle used at Rorke's Drift.
- 4 Rigid.
- 5 Wide communication.
- 7 Outlook.
- 8 Shaving tool.
- 11 Operation to re-establish capitalism in Europe after WW11.
- 13 Torture device.
- 14 Fertilise.
- 16 Point of landing.

Sung to tune of Jerusalem by Parry
Words by **Tony Grace**

Cast out Eurocracy

And will marching boots be heard once more
on Europe's pleasant pastures green
The Euro banner to the fore
Can Labour rise to make a stand
to cast Eurocracy from our land
Bring on the power of collective action
Eschew the splitting force of faction
Bring us our burning arrows of unity
let us fight as one
Give us our chariots of democracy
Then may our cause be won
So we rebuild our sovereign state
and let us hope it's not too late



- 21 Garden space.
- 22 Left on a ship.
- 23 Lake.

Crossword

No. 131

Your continued valuable support is required We can't do without it

The crisis in the eurozone, especially for the people, is getting worse and we here in Britain are already mixed up with the austerity policies. To help fend off and reverse these threats CAEF and the Democrat have to inject the EU factors into as many discussions and decisions as possible. For this we need donations on top of subscriptions.

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Useful Websites

CAEF does not necessarily agree with everything in these sites

Campaign against Euro-federalism with data from current and some back issues of the Democrat.

www.caef.org.uk

EUobserver reports daily on EU matters with links to other newspapers and sources. This is a very popular web-site:

www.euobserver.com

Scottish CAEF:

[homepage.ntlworld.com/
foster-prendergast/
scaef/index.files](http://homepage.ntlworld.com/foster-prendergast/scaef/index.files)

Trade unionists against the EU Constitution (TUAUEC):

tuauec.org

No2EU yes to democracy:

NO2EU.com

TEAM the European alliance of EU critical organisations. Lists links to other organisations across Europe:

www.teameurope.info

Democracy Movement, a broad movement with a large number of supporters:

www.democracymovement.org.uk

Campaign for an Independent Britain (CIB):

eurofaq.freeuk.com

Labour Euro-Safeguards Campaign, for Labour Party members:

lesc.org.uk

Peoples' Movement Ireland:

people.ie

National Platform of Ireland:

nationalplatform.org

German foreign policy group of journalists:

german-foreign-policy.com

Open Europe—an influential think tank of leading business people:

openeurope.org.uk

Corporate Europe Observatory (CEO):

eulobbytours.org

Data on other sites welcome

Campaign against Euro-federalism

The *Campaign* opposes:-

- the EU Constitution which hands over more powers to unelected and unaccountable bodies and reduces further the influence of Britain in the EU;
- the EU Charter of Fundamental Rights, part II of the Constitution, because it takes rights away;
- the introduction of a Common Foreign and Security Policy and an EU Foreign Secretary;
- the formation of a European Army and battle groups as part of rapid reaction forces would be a threat to peace.

The *Campaign* is a democratic organisation and primarily oriented to the labour and trade union movement and people whom these organisations normally represent, including democrats, socialists, trade unionists, students and pensioners.

The *Campaign* is for democracy and accountability, independence, jobs the pound and against racism.

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EU and Anomie

Explained by Arthur Smelt

The name European Union conveys the idea of unity and development of a cohesive society where the members of that society would be able to experience a civilised existence where basic needs such as food, accommodation, health, education and a generally felicitous lifestyle prevailed. Reality however, is somewhat different.

There is little doubt we live in a society where self aggrandisement and mindless profiteering have created chaos, not just in the commercial sector but throughout society. The gap between the rich and poor has widened. At the same time British taxpayers have had to payout huge sums of money to bailout the banks who have, amongst other things, gambled away the investments of small savers. It is not just banks who are bailed out, but private companies who have taken over essential public utilities like the railways.

In addition massive salaries and bonuses are paid to certain people. This creates considerable anger amongst those who lead a hand to mouth existence or have lost their homes because they could not pay the mortgage.

The very fabric of society is damaged by mindless or should we say crooked profiteering. The promotion of tobacco, alcohol and junk food for example create widespread health problems, the cost of which has to be paid for in billions by health services. It is estimated that alcoholism costs the British taxpayer £25 billion per year. Drugs, pornography and similar rackets contribute to the overall degeneration.

As unemployment and further deprivation continue to grow, crime and vandalism are likely to increase. Some may join protest groups and others will become increasingly despondent and simply fall back into apathy.

We have only to see or read reports about what is happening in Greece, Italy, Spain and Portugal to realise the degree of anger and discontentment with EU and those who support it. The latest nonsense is the awarding of the Nobel Peace Prize to the EU. Joanna Nikolareizi an Athenian photographer is reported as saying: "It's absurd. This is a prize that should go to a human being not to an institution that is fast going down the drain."

In the social sciences, a condition of instability or personal unrest from a breakdown of standards and values or from lack of purpose or ideals, is known as *anomie*. The term was introduced in 1897 by Emile Durkheim a French social scientist who studied alienation amongst workers due to the way society developed. Durkheim believed that one form of suicide resulted from the breakdown of social standards that people need and use to regulate their behaviour.

Robert K. Merton (1910-2003) Professor of Sociology studied the causes of *anomie* in the US finding it severest in people who lack acceptable means of achievement, Delinquency, crime and suicide are often reactions to *anomie*.

The fruit machine theory of society came on the scene at around this time. The idea was of course that society was like a fruit machine but only certain people could win. Those who could not win may try to break the rules, others would possibly conform by accepting the situation.

Retreatism could be another way of coming to terms with what was happening and rebellion could be a way of trying to bring about change. This of course is an oversimplification of this theory. However when we realise what is happening in the major part of the EU, the theory certainly seems to fit.

