Greece needs the Drachma not more structural adjustment

The Greek coalition Syriza-Anel government's new agreement with the EU is basically an extension of the memorandum signed by the previous Pasok/New Democracy government with the troika of lenders (EU-ECB-IMF).

This includes all the commitments to mass privatisation and the marketisation of all public services, ie massive structural adjustment in favour of the corporate sector.

The Syriza-led regime had gone to the EU, ie Germany, to ask for less austerity and Berlin said a categorical No!

German Finance Minister Wolfgang Schaeuble stuck to his hard line on Greece, saying the onus was on Athens to fulfil the conditions of its bailout programme before further aid would be paid out.

"Before money can flow, Athens has to show that it is meeting the agreed conditions," Schaeuble said.

Athens struck a deal with the Eurozone in February to extend its bailout by four months, but it is running out of options.

The much-maligned Greek Communist Party (KKE) tabled a draft law to cancel the anti-worker agreements with lenders (the memoranda) and all laws and loans agreements agreed by the previous governments.

Syriza had previously supported similar motions but now in government Syriza, which includes many former Pasok MPs that backed austerity, is refusing to back the KKE.

Ultimately Athens, locked into the euro, the key prop of ailing capitalism in Europe, sent their negotiating team off to get a little less austerity.

But the rules of the Euro does not permit such flexibility. In fact if you ask for a relaxation of the rules or oppose their central plans you are likely, as is the case for Greece now, to get a double dose of control by overseas banks and Germany which runs the euro.

Austerity is integral to the objectives of the EU, the euro and, of course, the finance capitalist class which rules the political roost.

Syriza MP Costas Lapavitsas has broken ranks with his party and is calling for Greece to bring back the Drachma, its former national currency.

Grexit would allow the elected government to re-gain control of its economy and reboot its economy in the interests of the population, a long-standing policy of the KKE.

Global privateer Goldman Sachs reacted immediately against any chance of Grexit. "Transferring from the euro to a new national currency is no straightforward task either for Greece or for Europe.

"Greece can’t just introduce a national currency," Goldman said in a statement, once more revealing the fundamentally undemocratic nature of the EU.

However Iceland has shown that there is life outside the EU and the Eurozone neoliberal straitjacket.

Iceland was hit hardest by the credit crunch in 2008. Now Iceland is being held up as the model for an alternative way to deal with the debt that plagues so many economies.

That is because when Iceland's banks went spectacularly bust, instead of pouring in billions of taxpayers' money to shore them up, Iceland just closed them down.

Foreign debts were written off - including £4.9bn of deposits from savers in the UK and Holland.

The economy is now growing faster.
than most European countries with a lower public sector deficit and unemployment is falling. But Iceland's approach is about much more than just getting its banking sector in order says president Olafur Ragnar Grimsson. "It is also about affirming the will of the people over the financial institutions. "In Europe there is a conflict between the democratic will of the people and the interests of the financial markets," he said.

Brief Report

CAEF Conference

Unity was the hallmark amongst those who attended this conference. There were members from different political parties, trade unions, pensioners’ organisations and those of no persuasion. This reflected the unity that CAEF has established and encouraged since its foundation over two decades ago.

Several major subjects were discussed in the informal and friendly atmosphere without any motions or ‘lines’ imposed from above.

The morning started with coffees and teas followed by a general discussion about the current political situation.

The major topics discussed were as follows.

The alternative to Britain’s membership of the EU and to austerity policies.

There are many reasons why Britain should not be bolted to the EU and all its regulations and common policies and to have instead a different approach. The economy must be based on manufacturing and associated industries with trade across the world. In place of austerity and an economy based on the financial sector. There must be a reduction in working hours, an increase in wages and pensions and earlier retirement age. The latter would benefit young people entering employment with prospects for their future lives.

For or against a Referendum on EU Membership.

It was clear this topic must be part of the General Election campaign to raise the question of opposition to EU membership and persuade parliamentary candidates to declare their position and influence party leaderships to support a referendum and subsequentially a ‘No!’ vote. The meeting agreed it was most important to change labour movement and Labour Party policy. There is no realistic option to holding a referendum but the electorate should not be diverted or bamboozled by Cameron’s false claim to be able to change EU treaties and policies.

It was clear that CAEF had a role in this work and that a leaflet and literature were required to influence voters especially in the labour and trade union movement. The distraction of UKIP for

Continued on page 14

Campaign against Euro-federalism

Saturday 11 April Comfort Inn
Station Street
AGM 11.00-13.00 Birmingham
Public Meeting 14.00-16.00 Alongside New St Station

The Difference between Debt and Deficit

Mick Brooks author of ‘Capitalist Crisis’

The General Election and Referendum

Mike Chant—CAEF Executive

The First World War and the EU

John Boyd—CAEF Secretary
Sorting out the General Election

Just a few weeks to the General Election and a hundred or so forecasters say they can’t predict the outcome. Voters are questioning each other as to which way to vote and what for. However, one thing is clear: you vote for what you want, otherwise you will get what you don’t want.

Several factors are in the melting pot of the campaign to win votes. Above all else is the question of EU membership which has been deliberately muddied by the Prime Minister in stating he can change the EU through reforms. This can’t be done without changes to the latest EU (Lisbon) Treaty and have these ratified by the 28 Member States. Other Member States have clearly stated they will not go along with any Treaty alterations even though the Prime Minister and Chancellor state after a much publicised tour of EU capitals that they have managed to persuade some to support their proposals.

Currently in Britain, the top item on the EU agenda is ‘immigration’. As we’ve explained before what is actually happening within the EU is the free movement of labour which is a fundamental principle of the Single European Market. One claim is that we need skilled and other labour to fill the jobs British people are unable or don’t want to do. This entails skilled people leaving their own country with vacancies and displacing people in Britain. The real aim is to employ at lower wages in the ‘race to the bottom’.

The government has promised to cut ‘immigration’ down and embarked on an inhuman practice of deporting people back to countries outside the EU. This practice includes deporting asylum seekers and students whose visa have run out. This is all made to look like reducing immigration but does not address the free movement of labour within the EU.

To date TTIP is hardly mentioned in the general election campaign. If TTIP and other treaties and so called trade agreements are put in place they will make the implications of EU membership look like a Sunday School Outing. TTIP must be made a factor in the general election and all candidates and their canvassers questioned. On this point UKIP has not made up its ever changing mind. Labour wants the NHS excluded from TTIP and supports TTIP otherwise. The problem with this is that the NHS will be ravaged by the avaricious privateers on the basis of their being prevented from making a profit. They will resort to the Investor State Dispute Settlement overseen by unelected judges and lawyers. Exposing what TTIP is about will reveal the true nature of the EU especially the aim to bolt the EU with US markets.

Austerity policies continue and are supported by all major political parties. There is no reason for the austerity except to shift wealth to the top rich and wealthy from the less well off and poor. This is widely recognised and is a question of class and not just misrepresented economics. Thrown into this part of the election debate is the most important question of all the difference between government deficit and debt. After all, Britain remains one of the richest countries in the world with vested interests elsewhere. What is required is for the government to be able to control the movement of capital which of course is part of the EU’s single market and yet another reason for leaving the EU in a rational manner.

There are many other factors which need a higher profile and include: high unemployment amongst young people; further military adventures in the Middle East and Eastern Europe; the housing crisis and much more. Many of these issues can be linked back to EU membership and the loss of sovereignty and many aspects of democracy.

What is clear is that as much agitation and persuasion must be carried out at the grass roots of the labour and trade union movement. The objective is to change policies at the top of the movement so that policies are unequivocally for the benefit of the peoples of Britain, and, not for the transnational corporations, banks and privateers. This must include trade across the world and not restricted to the EU. Whatever the outcome of the election such agitation must be carried on afterwards with a referendum on EU membership and stopping TTIP in mind as well.

CAEF ammunition for the election
Leaflets on TTIP, immigration and free movement of labour, and EU membership.
These are supplied on request and also available on the CAEF website for downloading and printing. Donations are very welcome.
The Ukraine—Minsk agreement shows up splits between Germany, the EU and US

Horst Teubert

Will the truce hold? For people living in Eastern Ukraine, this was one of the most important questions as the Ukrainian armed forces finally at the end of February had started withdrawing their heavy weapons from the front line near Donetsk and Luhansk. Fighting had continued for several days in the small town of Debaltsevo after the truce had been officially announced on 15 February. Debaltsevo hosts a railway junction which is of crucial importance for the Donetsk and Luhansk regions to be interconnected and to survive while the Kiev government was being hostile to them. It came as no surprise that the Ukrainian troops destroyed as much as possible of the railway infrastructure immediately before retreating from the city on 18 February.

The truce which was brokered in the Belarussian capital Minsk on 12 February is the result of heavy German pressure on the Kiev government. In the Ukrainian capital, the “war faction”, which aims at toppling the Putin government and replacing it with a pro-Russian successor, has increasingly been gaining influence in the last year as ultra-nationalism has been growing stronger and stronger especially in the Ukrainian middle classes. The US government supports this faction because of its extreme anti-Russian stance - just as Washington promoted exiled Ukrainian fascists during the Cold War because they were the most resolute enemies of the Soviet Union. Obviously, Washington aims at toppling the Putin government and replacing it with a pro-Russian successor.

Although Germany was amongst the leading powers to support the Maidan protests and the illegal overthrow of the Yanukovych government, Berlin is less unequivocal in its stance towards the “war faction” in Kiev today. After having expanded its influence in Eastern Europe further and further with the EU enlargement and the Eastern Partnership, the German government had two ambitious goals: to bring a pro-Western government to power in Kiev and, at the same time, to continue cooperating with Moscow at least to a certain degree. The latter was important, amongst other things, for German energy companies which were just in the process of getting immediate access to the huge Russian gas reserves, an asset of strategic importance for them.

This is why Berlin has been trying to avoid further escalation of the conflict between the West and Russia since the overthrow of the Yanukovych government and why it has been more cautious in imposing sanctions against Russia. This is also why it brokered the Minsk Protocol of 5 September 2014 and the truce of 15 February - and why it has been exerting pressure on the Kiev government to keep the truce.

At the same time, the German government leaves no doubt about its long term goals. As chancellor Angela Merkel said at the Munich Security Conference on 7 February, the fact that the civil war in Eastern Ukraine “cannot be won militarily” makes clear that “a new way must be found” and “we must be long-winded”. Through the power struggle with the socialist countries, the West should have “learned that it can take a long time” to win. “No one knew when the cold war would be over”, Merkel said, but in the end, the West was victorious. The same would be the case in today’s conflict with Moscow: “I am a hundred percent convinced that with our principles, we will win.”

To achieve this, Wolfgang Ischinger, chairman of the Munich Security Conference and one of the most influential German foreign policy experts, recently proposed a “double strategy”. On the one hand, the West should deal with Moscow “from a position of strength”. On the other hand, the EU should cooperate with Russia and its new Eurasian Economic Union economically. Experts have called this a “return” of the power struggle from a military to an economic level - war by other means. The “double strategy” resembles strongly the policy of the West during the Cold War.

The “double strategy” seems to work. The German government has brokered the truce for the civil war in Eastern Ukraine which the West cannot win at the moment, and it takes an end of the sanctions against Russia into account. At the same time, the US and the UK governments have started training and arming the Ukrainian troops which brings Kiev into a position to restart the war whenever the government and its Western supporters want. Strong pressure on Russia remains - and at the same time on the people of Eastern Ukraine who will continue to be threatened with attack.
EU common energy policy

A European Union Package is to include the energy market to develop current energy policies and obviate the dependence on supplies from Russia. This has proved very difficult to achieve as each Member State has a different national energy policy or lacks a rational policy due to privatisation as in Britain.

The EU imports 50% of its oil and gas. This will rise to 70% by 2030. Russia already provides Europe with 33% of its oil and 40% of its natural gas. In 2009 an EU-US Energy Council was established, aiming to strengthen cooperation on energy security and supply between EU and USA. No doubt this Council will be part of TTIP and ISDS.

However, gas pipelines from Russia have been aborted. The Nabucco pipeline from the Caspian Sea to the EU bypassed Russia and was cancelled in 2013. The replacement TANP (Trans Anatolian Pipeline) is not due to be completed until 2018. A pipeline from the largest Azerbaijan gas field TAP (Trans Adriatic Pipeline) is to run through Greece, Albania and under the Adriatic Sea to Southern Italy. This line is expected to carry gas in 2017-18 from several sources and will be connected to the TANP line. This is all a large factor in the Ukraine crisis as gas pipelines cross this territory.

Banking Union

In 2012 the Commission proposed a common banking union where the European Central Bank has powers over not only Eurozone members but other EU Member States outside the zone as well. An objective is to take over national budgets on top of controlling interest and exchange rates adding to the loss of two key economic control factors. The banking union would entail further loss of sovereign powers of national governments including those outside the eurozone if they decide to join the union.

Justice Union, Home Affairs, Europol and EAW

This area used to subject to intergovernmental cooperation with Member States retaining the power of the veto. However, since the recent implementation of the Lisbon Treaty decisions over this area have become supranational and hands these powers to the Commission.

Examples of what will change include the EU police unit Europol becoming supranational along with the European Arrest Warrant. In other words Europol can act like the FBI in the US and arrest a person in say Britain and incarcerate them in a Greek or German jail waiting to be charged and then have to prove their innocent.

Laws about surveillance, ‘terrorism’ and civil laws could become supranational. At the moment Britain need not agree to specific cases or points of law but once given up they will not be able to be taken back unless we leave the EU.

Toll Roads

The Commission has stated that Britain does not have enough toll roads. This is a way of saying there is not enough competition and is a further to introduce the single market rules of ‘free movement of capital, services, goods and labour’. In other words it is another example of yet more privatisation and expense for those who travel by road in cars, lorries, coaches and buses. Automation associated with number plates will no doubt be used for collecting tolls and without the need to erect toll booths.
Protests and unity against TTIP are growing

Just before Christmas, farmers and trade unionists protested in Brussels against TTIP, which they fear would leave them out in the cold at the expense of big transnational corporations. Farmers built fires and set off firecrackers close to EU headquarters, where only a few hours earlier an EU summit meeting had ended. A coalition of trade unionists, environmentalists and farmers fear that TTIP would weaken environmental protection standards and further decrease subsidies to an agricultural industry already squeezed by ‘austerity’.

Nearly 100% of submissions on TTIP to the EU Commission oppose ISDS

More than 97 per cent of submissions last year in an online consultation on TTIP conducted by the EU Commission were opposed to the inclusion of ISDS (Investor-State Dispute Settlement). The Commissioner for trade, Cecilia Malmström, said the volume of negative submissions had sent a “very clear signal” of public scepticism about the talks, adding that ISDS provisions were “clearly something that a large number of European citizens are engaged with.” ISDS could be used by companies to take legal action against governments if new regulation threatened their investments and profits. Since 1994 European governments have been forced to pay at least €3½ billion in compensation to firms, though a lack of publicly available information makes it likely that the real figure is far higher.

According to EU Observer, more than 130,000 signatures were collected by Friends of the Earth Europe, AK Europa, Sum of Us, 38 Degrees and the Munich Umwelt Institute. Three thousand individual citizens and more than 450 business groups, trade unions, consumer organisations, lawyers and academics also contributed submissions. Thirty five per cent of the submissions came from Britain, with Austrians contributing the second largest number. CAEF also made a submission.

The main concerns raised in the submissions were about protecting governments’ right to regulate; how ISDS tribunals can operate in practice; the relationship between national judicial systems and ISDS tribunals; and the possible use of an appeal mechanism to revisit an ISDS decision. The Commission will not take a decision on whether to include ISDS until “the final phase of the negotiations”, and it has not given up on including the mechanism in an agreement. “It is too early to say what investor protection will look like in TTIP”, said Malmström. The Commission had “no specific deadline” for deciding its next move, but “by the spring we need to come up with a proposal on this.”

Despite mounting opposition the Commission still seems determined to include it in some form. The French and German governments have since stated that investor protection can be guaranteed by their national courts, while several of the largest political groups in the EU Parliament have vowed to oppose any trade agreement that includes ISDS; and Euractiv reports that the EU Parliament’s Trade Committee is opposed to including the ISDS clause in TTIP.
The origins of the First World War go back to the Berlin Conference which formalised the imperialist ‘Scramble for Africa’.

By the end of the Second world War all the European empires had been severely damaged in this global conflict.

During the Second World War the Nazis began to formalise plans to unite these broken empires to form a new single empire based around Germany. This plan was called Europäische Wirtschaftsgemeinschaft, (European Economic Community) published in 1942.

The Nazis planned to abolish independent sovereign states within its orbit. British fascist Sir Oswald Mosley and far right groups like the League of St George took up this call in Britain after the war.

"European socialism is the development by a fully united Europe of all resources of our continent, in white Africa, and in South America, for the benefits of all the peoples of Europe," wrote Mosley, exposing the imperialist mind-set at the heart of these fascist economic plans.

The Nazis planned eastwards enlargement to provide cheap labour and resources, even talking about the ‘free movement of labour’ to develop industries and economic and political union. Leading Nazi theoretician Werner Daitz wrote in 1942: "the Reich has always been a Germanic and also a European idea, a strong Reich was always necessary for a strong Europe". The driving force behind these plans were the large corporations such as Bosch, Siemens and IG Faben which had bankrolled the Nazis and benefitted during the Third Reich from the use of slave labour and monopoly access to markets.

At the end of the Second World War all the European empires were critically damaged by 30 years of intermittent global conflict, yet plans continued almost immediately for a European monetary union. According to David Marsh in The Bundesbank-the bank that rules Europe, most Bundesbank members in 1948 were former leading Nazis and their influence continued for many years.

By 1950 Germany’s first Chancellor Konrad Adenauer launched plans for the European Economic Community: "A federated Europe will be a third force, Germany has again become a factor with which others will have to reckon. If we Europeans colonise Africa we create at the same time a supplier of raw materials for Europe".

The 1957 Treaty of Rome founded the European Economic Community which was signed by the old major European imperialist powers Belgium, France, Italy, the Netherlands and West Germany plus Luxembourg. Every treaty since has demanded ‘ever
closer union’ and the complete free movement of capital, goods, services and labour thereby transferring evermore powers from nation states to undemocratic EU institutions.

The Euro-federalist dream has been to build a global military and economic power - a superstate - to dominate the world along with, and as a rival to, the US. Within this superstate, the largest states Germany, France and Britain project their own interests through a single EU economic, legal and foreign policy.

Such a set up forces weaker states to follow or be excluded from the bounty. For Germany the prize is Eastern Europe and the Balkans and for Britain and France, it is Africa.

Developing countries are bound to the EU through the Cotonou Agreement. This is a treaty between the European Union and the African, Caribbean and Pacific nation-states (ACP). It was signed in June 2000 in Cotonou, Benin, between 78 ACP countries and the European Union. It entered into force in 2003 and was revised in 2005 and 2010. Cuba did not sign.

The EU and IMF conditions for loans to these ACP countries require reductions in public spending and government borrowing, privatisation and austerity policies. EU member states have adopted similar policies as part of the Maastricht criteria and the Lisbon Treaty. Ghanaian leader Kwame Nkrumah warned in the 1960s of "the disappearance of numerous old fashioned colonies owing allegiance to a single metropolitan country and the replacement of 'national imperialisms' by a collective imperialism" - today known as the EU.

European Commission President Jaques Delors once openly declared that an EU army will be required to "fight the resource wars of the 21st century" and Tony Blair’s foreign policy advisor Robert Cooper articulated this global war policy by boldly stating that what was required was a "new imperialism". This required EU citizens to get used to double standards and to tolerate endless western aggression against poor, resource-rich states such as those in Africa.

An example of this aggressive new imperialism was NATO’s illegal attacks on Yugoslavia in 1999. NATO Secretary General Lord Robinson declared at the time that the "rubicon had been crossed". Illegal attacks on sovereign states by the world’s strongest states were now acceptable.

Britain carried out this policy with the intervention in Sierra Leone in 2000 to further its own interests against rebels that controlled large areas of the diamond fields. Prior to British troops landing, British mercenaries working for Sandline and Executive Outcomes were fighting the rebels and breaking an arms embargo with the full sanction of the foreign secretary Robin Cook.

British imperialism pumped military aid into the country to maintain a firm foothold in this strategically important region of West Africa and to dominate the lucrative diamond trade. France also has troops in nearby Ivory Coast and the EU army has a force in Congo, which has been described as one of the richest parts of the planet containing oil, gold and other minerals.

Today the EU and member states are sending troops to secure their own interests. It is a question of who gets there first. It is not for nothing that the EU army is called a Rapid Reaction Force.

Ukraine is clearly the latest target for EU aggression and expansion after Kiev’s elected government refused to sign an EU association agreement in 2013. The EU, particularly Germany, then backed a fas-
Cist-led uprising to integrate Ukraine into Berlin’s political and economic sphere. The German Christian Democrat Union party openly admits that its Konrad Adenauer Foundation has been funding attempts for many years to establish a far-right party in the Ukraine in order to create a permanent pro-EU bloc in Kiev.

During a Foundation event in Brussels, German CDU MEP Elmar Brok spoke frankly about why Berlin has such strong interest in Ukraine. After all, it is “a country with great economic possibilities,” with “a well-educated population” and with “good agricultural prerequisites”. It is no wonder that Germany, supported by other EU member states wants to push for the further militarisation of Europe and for NATO expansion right up to Russia’s borders.

Namibian President Sam Nujoma described this new European military strategy as: “These Europeans, they formed a political union and again they want to get our raw material without paying us.”

In short, the euro currency is a tool for structural adjustment for European capital, demanding the wholesale privatisation of entire industries at home and abroad along with harsh austerity policies. The new European legal identity is designed to ensure it is imposed and the European army has been unleashed across the globe to ensure it stays that way.

**The Transatlantic Trade and Investment Partnership**

Today we have a ‘scramble for the world’ through a raft of treaties on trade and investment. The Transatlantic Trade and Investment Partnership (TTIP) is just one of these being negotiated mostly in secret between the EU and US. As a bi-lateral trade agreement, TTIP is about reducing the regulatory barriers to trade for big business, including food safety law, environmental legislation, banking regulations and the sovereign powers of individual nations. John Hilary, No TTIP and Executive Director of campaign group War on Want, pointed out that this is: "An assault on European and US societies by transnational corporations".

TTIP negotiations have been secretive and undemocratic. Nearly all information on negotiations comes from leaked documents and Freedom of Information requests or Commission statements only listing the points of negotiation.

Here are six reasons why we should be worried about TTIP:

1. **The NHS**
   
   One of the main aims of TTIP is to open up Europe's public health, education and water services to US companies. This could essentially mean the privatisation of the NHS.

2. **Food and environmental safety**

   TTIP’s ‘regulatory convergence’ agenda will seek to bring EU standards on food safety and the environment closer to those of the US. But US regulations are much less strict. The same goes for the environment: currently in Europe a company has to prove a substance is safe before it can be used. In the US the opposite is the case.

3. **Banking regulations**

   The UK, under the influence of the all-powerful City of London, is seeking a loosening of US banking regulations. US financial rules are tougher than ours, put into place after the financial crisis to directly curb the powers of bankers and avoid a similar crisis happening again. TTIP, it is feared, will remove those restrictions.

4. **Privacy**

   An Anti-Counterfeiting Trade Agreement would ease data privacy laws.

5. **Jobs**

   The EU admits TTIP will probably cause unemployment as jobs switch to
6. Democracy

TTIP’s biggest threat to society is its inherent assault on democracy. One of the main aims of TTIP is the introduction of Investor-State Dispute Settlements (ISDS), which allow companies to sue governments if those governments’ policies cause a loss of profits. In effect it means transnational corporations can dictate the policies of democratically elected governments.

Around 500 ISDS cases of businesses versus nations going on around the world are taking place before 'arbitration tribunals' made up of corporate lawyers appointed on an ad hoc basis. According to John Hilary these are "little more than kangaroo courts" with "a vested interest in ruling in favour of business".

Conclusions

In the Scramble for Africa the imperialists banded together and carved up the continent of Africa. They trampled and marched over this land killing millions of people in the process in order to strip out raw materials and resources and enslave people. This halted any development of nations and nation-states and democracy in forms of their own choice.

This 'Scramble for Africa' led to the First World War. The domination of imperialism and capitalism has continued unabated in Africa and beyond ever since. EU institutions in partnership with the IMF and World Bank are now seeking to create the conditions for a kind of corporate feudalism whereby all forms of meaningful democracy will only exist in the past tense.

The clear objective of capitalism and their crypto-imperialism is to undo the French revolution which established the right of nations to self-determination and democracy. It also seeks to undo the English revolution which fought for the rights of parliament over the divine right of kings. TTIP and all EU treaties seek to establish the divine rights of corporate capital and imperialism to rule over us all.

Sources

A large bibliography can be found in the pamphlet which collects together and expands all six supplements which have been published with the Democrat

Part VI has been taken from the 64 page illustrated pamphlet 'First World War: 100 years of Imperialism and Resistance'. The pamphlet is available for £2.50 each plus 50p postage.

OR

Five copies £11 post free
Ten copies £20 post free

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Poverty in the EU

Caritas Europa, an umbrella organisation that fights poverty and social exclusion, has just published a report, Poverty and Inequalities on the Rise: Just Social Models Needed as the Solution. It shows that more than a third of the population in Bulgaria, Romania, Greece, Latvia and Hungary are at risk of poverty and social exclusion.

In half the EU’s twenty-eight member-states at least one in three children lives in poverty. The level of deprivation in Cyprus, Greece, Ireland, Italy, Portugal, Romania and Spain—the seven EU countries worst hit by the economic crisis—was particularly severe. In Ireland more than a million people suffered enforced deprivation in 2013—more than double the rate before the economic crash—according to the Central Statistics Office. “Enforced deprivation” is defined as being unable to afford at least two basics, such as replacing worn-out furniture or having an afternoon or evening out in the previous fortnight. The report found that the deprivation rate increased from 14 per cent in 2008 to 31 per cent in 2013. It has increased each year during the economic downturn.

The average disposable income per person after taxes and social welfare transfers fell to €17,374, a decline of almost 2 per cent on the previous year. A new study by UNICEF on the effect of the recession on children in forty-one developed countries places Ireland close to the bottom of the list. The report ranked Ireland in 37th place in a measurement of relative changes in child poverty. Only Croatia, Latvia, Greece and Iceland were placed below Ireland. Almost half of Bulgarians (48 per cent) and more than 40 per cent of Romanians are at risk of poverty, while in fourteen of the EU’s twenty-eight member-states one in three children are considered to be living in poverty.

The EU’s official statistical agency, Eurostat, has found that one in four people were at risk of poverty and social exclusion in 2013, broadly supporting the findings. Eurostat identifies a person “at risk of poverty” as someone who is living in a household the equivalent disposable income below the risk-of-poverty threshold. This is defined as 60 per cent of the national median equivalent disposable income (after social transfers).

Poor German

An unbelievable total of 12 million people in Germany are classed as poor, according to a study by a German welfare association.

Poverty has reached a historical record figure, according to a report by the Deutscher Paritätischer Wohlfahrtsverband (German Joint Welfare Association). The report shows that about 12½ million people were affected in 2013—an increase from 15 to 15½ per cent since the previous year. “Since 2006 there has been a clear and dangerous trend towards more poverty,” said Ulrich Schneider, general manager of the association. Within this period, the report states that the number of poor people in Germany grew by 11 per cent. The German government’s assertion after the last poverty report that the income gap is closing Schneider described as “simply false.” As a result, Germany is nearing the European average with regard to poverty. EU statistics show that close to a quarter of the EU population were at risk of poverty or social exclusion in 2013. While the report found that poverty increased nationally, the gap between the regions least affected and most affected by poverty rose from roughly 18 to almost 25 per cent compared with 2006. Single households with an income of less than €892 per month are considered poor; a family with two children is considered poor when they live on less than €1,872 per month.

Single mothers are particularly at risk of poverty, the report found, with more than 40 per cent in this group falling into the category of being poor. But although Germany’s unemployment rate has been decreasing for years, poverty is rising among the entire population. Schneider also expressed concern that, under present circumstances, unemployment could become more and more a part of everyday life, and set a dubious example for the younger generation. “In many regions, residents of entire streets have lived without a job for a long time. For the children who grow up there, dependence is completely normal.” A particularly alarming development revealed by the report relates to pensioners. The number of poor in this group increased dramatically, by 48 per cent, since 2006. Schneider called these numbers a “poverty policy landslide.” No other population group shows a more rapid development towards poverty, he said. Since 2006 the proportion of those in poverty increased at four times the rate seen in other groups.

The introduction to this erudite critique of the arguments in favour of Britain’s continuing membership of the European Union examines the notorious “Insider” case first propounded by Harold Wilson during the 1974 Referendum Campaign which is comprehensively demolished.

The investigation is in two parts: the first deals exports, the second with FDI or Foreign Direct Investment.

We should begin with the key text from the pamphlet supporting the “Yes” vote in the 1975 Referendum which was as follows:

"Inside on the improved terms, we remain part of the world’s most powerful trading Bloc. We can help fix the terms of world trade ... outside we are on our own ... We will have to try to negotiate some special free trade agreement, a new treaty ... But ... until it was in force, Britain’s exports to the common market would be seriously handicapped. Britain would no longer have any say in the future economic and political development of the common market. We would just be outsiders looking in ...Other countries have made...special arrangements with the community. They might find Community decisions irksome, even an interference with their affairs. But they have no part in making those decisions. This "Insider" advantage notion has been used time and time again in the 39 years since its first appearance and the same associated ideas have been wheeled out again in recent months by the supporters of the EU, who include Ed Milliband, alarmed by the prospect of a “No” vote in the promised referendum in the near future.

The author convincingly demonstrates that hardly a shred of evidence has been produced to back the nebulous case for staying in. Ed Milliband’s concept of an exclusive dining club characterised by such phrases as:

"The best place for Britain is at the table . Do we wait... outside the room? If we left the EU- The US,China and the EU literally eating our lunch”. Two weeks later Tony Blair said: "Yesterday when the project began it was peace...today it is power...in this new world, to leverage power, you need the benefit of the EU”. David Cameron added his voice to warn of the “Norway option”, while Peter Mandelson claims, “that we can continue trading at will in Europe without...its regulatory rules ...is a grave deception.”

The main objection that our exports will be diminished by our exclusion from the EU is forensically examined and found wanting in the table in part one: “A comparative Study of UK exports between 1960-2012.” The table on page 10 shows a steady decline from a peak of 70% five years before entry to the single market in 1995. This went down to 60%in 2010 while trade with three independent European countries shows a steady increase in volume since entry to the single market. Another table compares the export of services from the three outsiders had a rise of 8% in 2000 to 20% in 2010. Those to 14 EU members remain static at around 50% below and dip in 2010. These are but two of 21 findings in the writer’s relentless search for evidence to refute the "Insider Theory”.

I believe that the most significant are No’s 11 and 13. The former succinctly declares that: “UK export of goods to non-EU counties have grown at a much faster pace than those to other founder members of the single market”. In the table at the top are the 33 fastest growing markets for goods exports The 11 other founder members of the single market are in 26th place, though the total value of exports to them exceeded that of all individual member countries ranked above them.

The next assertion refers to the "Heft" comment of Tony Blair and the "Clout" statement of Ed Miliband, both to support the EU, which they have simply repeated without any back up statistics whatever; the exact passage is under section 13: "There is no evidence to suggest that the ‘heft’ or ‘clout’ of the EU has helped secure more FTAs (Free Trade Agreements) than those that might have been secured by independent negotiations. There were 25 EU FTAs in force in 2012 while the Swiss had independently negotiated 26, 13 of which came into force before those of the EU , and three in the same year”.

In his conclusion to Part 1, Burrage repeats that while exports grew to the common market in the early years, they fell to countries in the single market and the following
comment seems particularly relevant: "It is similarly hard to accept the idea that there are disadvantages to non-membership.” Since the exports of goods and services to the EU of so many developing and "powerless" nations, who have never been "at the table" or in "the overflow room", have grown faster than those of the UK.

Indeed this has been such a common occurrence that any researcher simply following the evidence is bound to wonder whether the main research question might not be better turned the other way around, and “instead of studying the disadvantages of non-membership it would be rather easier to analyse those of membership”. 

Finally, the Department of Business, Innovation and Skills (BIS) is successfully accused of failing to provide comparative statistics of exports to the EU and non-member countries which would compromise their fanatical support of the "Insider" position as "empty rhetoric".

The second part of this critique addresses the topic of FDI or Foreign Direct Investment to the United Kingdom by putting four main questions:

Did Entry to the Common Market in 1973 boost FDI to the UK?"

Has membership been of lasting benefit?

Did declining to join the Euro adversely affect FDI in the UK?

Has the single Market attracted FDI to the UK?

The answer to the first was Yes but it did not last beyond the first decade and only one country, Ireland, has benefitted from FDI. The three countries which have proved most attractive to foreign investors, Iceland and Norway are all outside the EU. Also, Denmark and Greece have attracted fewer investors than five non EU countries at the time.

On the second question regarding declining to join the Euro the answers are in three separate sections. In the first of these, "Euro versus Non Euro", only three countries are defined as over performers in contrast to five non Euro countries. Of course, Germany's share of FDI stock exceeded all others but in terms of "Inflow" the winners were Ireland, the Netherlands and Austria. Under the heading "Individual Winners and Losers in Non Euro Europe" it is observed that the UK's share of FDI stock in Europe declined which is in stark contrast to the UK's performance under the title "The post Euro experience" in which the author notes that:

"Despite its pre and post Euro decline in its share of both Inflows and stock, the UK has remained by far the largest recipient of all 15 countries of post Euro inflows and by far the largest holder of FDI stock measured by share or value, taking nearly a quarter, 24.9% of all FDI inflows, and holding 24.6% of FDI stock over the thirteen post euro years. It is followed by France with 14.9% and 14.5%, and by Germany with 13.7% and 14.1%.

The response to the third question, "Has the Single Market attracted FDI to the UK and to other members?" finally nails down the coffin on the pro European lobby. The three tables on FDI inflow show that 11 founding members have failed to attract more investment than countries outside the EU. In the author's words:

"No. There is no evidence to suggest that the Single Market as a whole has been a magnet to foreign investors, or that it has encouraged FDI in the UK specifically."

In the final chapter "On claims and warnings about FDI in debates about the EU", fears raised about the fate of Britain if it votes against continued EU membership, Burrage asserts:

"We may expect to hear much more about how the UK will become a "small", "isolated", or "lonely" island in which no foreign investor would wish to invest. The author responds to that warning in the usual factual manner by giving a table described as "Independent countries compared with the EU 1993-2011 percentage growth in FDI stock per capita with 2011 value of stock per capita." Here again counties outside the single market have outperformed EU members.
labour voters was of concern which re-
quired progressive policies by the
movement to counter UKIP without
abandoning our own objectives and
long term aims of the labour movement.

How best to oppose the austerity polices put
in place by the Tory government.

This requires an exposure of the dif-
ference between deficit and debt. The
claim by the Con-Dem government that
Britain is in deficit and we all have to
pull our weight to pay this off is a big
con trick. In this trick finances have
been passed upwards and transferred
from the lower paid sections of society.
The Labour government of 1945 went
into debt and set up the NHS and na-
tionalised several industries. The debt
was to be paid off later and was.

To contend this requires a change in
labour movement policies and espe-
cially that of the Labour Party. It was
also pointed out that UKIP supports the
austerity imposed by the current gov-
ernment.

Refreshments were provided for the
lunch break which enabled people to
mingle and mix and purchase litera-
ture. The refreshments were donated
by two members and literature sales
raised £70 and an equal amount in do-
nations.

The implications and dangers of TTIP and
ISDS.

The secret negotiations taking place
around TTIP are ominous indicating the
negotiators don’t want electorates to
know any of the devils in the detail.
This is especially so in regard to sover-
eignty, damage to democracy and the
right to self determination and to say
the least. However, the overall cam-
paign against TTIP, ISDS and CETA is
growing with trade unions, especially
UNITE and GMB, and other organisa-
tions, War on Want in particular, taking
the lead.

Again it was felt a bullet point leaflet
simplifying the major concerns of TTIP
should be published by CAEF.

‘The First World War: 100 years of Imperi-
alism and opposition’ and repercussions
today of that war.

The 64 page pamphlet covers the period
from the start of New Imperialism in
1885 the period before the war,
‘Scramble for Africa’, arms race and
eventual war in which millions died.
The pamphlet deals with opposition to
the war, resistance to imperialism and
failure of those who opposed the war to
stand by national and international
policies. This failure resulted in workers
and socialist fighting an killing each
other on the battlefields. The discussion
drew attention to the parallels and im-
plications today with the EU, a new
‘Scramble for the World’ and lack of
unity.

Campaign against Euro-federalism

Discussion turned to the Campaign
where it is clear that more hands are
required to carry out the important
work now before us. What is required
are more members and affiliated or-
ganisations, further Democrat readers
and subscribers, and more activists to
step forward.

All those that attended agreed the
conference was a success and had bene-
fited those attending and the Campa
ign.

Letters and Communications
First World War Pamphlet

This is a very revealing piece of work and
congratulations to the authors. LP
I never knew about certain incidents leading
up to the war. LB
A very important view about the run up to
and aftermath of the War. DB
The amount of work put into this important
pamphlet is profound and explains clearly
quite a different point of view which throws
much light on the problems around the
world today. MB
Will there be more pamphlets? JK
Good luck with sales of this pamphlet please
send five more and I may be able to obtain
more sales. HC
**Appeal and donations**

Like all organisations and campaigns we rely on our members and supporters for financial support in the way of annual subscriptions and donations as well as sales of literature. Without this valuable assistance our Campaign would founder. The forthcoming General Election and possible referendum on EU membership are two areas CAEF and the Democrat will be working on. All monies are very useful. We thank those of you who have sent a donation over the past period which included some generous gifts. Standing orders give a firm base of income. To make a standing order tell your bank the sum and frequency and pay to sort code 08-92-99 and bank account 65476899 at the Co-operative Bank.

**Useful Websites**

- **CAEF does not necessarily agree with everything in these sites**
  - Campaign against Euro-federalism with data from current, many feature articles and back issues of the Democrat.
    - [www.caef.org.uk](http://www.caef.org.uk)
  - EUobserver reports daily on EU matters with links to other newspapers and sources.
    - [www.euobserver.com](http://www.euobserver.com)
  - Trade unionists against the EU Constitution (TUAEUC):
    - [tuaeuc.org](http://tuaeuc.org)
  - No2EU yes to democracy: [NO2EU.com](http://NO2EU.com)
  - TEAM the European alliance of EU critical organisations.
    - [www.teameurope.info](http://www.teameurope.info)
  - Democracy Movement, a broad movement with a large number of supporters:
    - [www.democracymovement.org.uk](http://www.democracymovement.org.uk)
  - Campaign for an Independent Britain (CIB):
    - [eurofaq.freeuk.com](http://eurofaq.freeuk.com)
  - Labour Euro-Safeguards Campaign, for Labour Party members:
    - [lesc.org.uk](http://lesc.org.uk)
  - Peoples’ Movement Ireland: [people.ie](http://people.ie)
  - National Platform of Ireland: [nationalplatform.org](http://nationalplatform.org)
  - German foreign policy group of journalists:
    - [german-foreign-policy.com](http://german-foreign-policy.com)
  - Open Europe—an influential think tank of leading business people:
    - [openeurope.org.uk](http://openeurope.org.uk)
  - Corporate Europe Observatory (CEO):
    - [eulobbytours.org](http://eulobbytours.org)
  - Links to these sites can be found on the CAEF website

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**Campaign against Euro-federalism**

To join the Campaign I enclose £15 membership fee (£10 for unwaged)

Please make cheques or POs to CAEF

Name ..........................  Date   /   / 2014

Address ..........................  email address

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I agree to abide by the rules of the Campaign ..........................

CAEF objectives, aims and rules can be found on the CAEF website or by request

As a member you will be sent copies of the Democrat

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Campaign against
Euro-federalism

The Campaign opposes:-

1. the EU Constitution which handed over more powers to unelected and accountable bodies and reduced further the influence of Britain in the EU;

2. the so called trade treaties such as TTIP, CETA and ISDS which are grave threats to all forms of democracy and national independence;

3. the introduction of a Common Foreign and Security Policy and an EU Foreign Secretary;

4. 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.

The Democrat

Available on subscription of £5 for five issues. The paper is posted free to members of CAEF—membership is £15 (£10 unwaged), affiliations £20 minimum.

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Arthur Smelt says People are Desperate

To observe what is happening in Europe and worldwide, we see unacceptable developments taking place which are becoming more widespread and affecting considerable numbers of ordinary citizens.

Events in Greece show only too clearly the abject failure of existing economic and political systems whereby untold millions of citizens are living a nightmare. Mass unemployment, low pay, homelessness, the need for food banks and poor medical services in what we like to think of as civilized society. There is little wonder the suicide rate in Greece is at an all time high.

By voting for the Syriza party led by Alexis Tsipras, there is hope that change for the better may be on the way. Syriza has promised anti-austerity measures. He has further asserted the future of Europe has to be based on democracy, solidarity and cooperation. There is little doubt that the present damaging environment of corruption, self interest, tax evasion and greed is the recipe for continued social unrest and conflict.

The crisis in Spain is similar to that in Greece with the same damaging elements and austerity being imposed on the poor.

Podemos a political party said to be anti-austerity has been little heard of until recently. According to reports it has very quickly attracted a membership of 300,000 no doubt motivated by the overwhelming need to halt the present vacuous vandalism affecting the lives of millions. Unemployment amongst the under 25’s in Spain is reported to be over 50%.

Italy is similarly placed. The economy is reported as being stagnant and there have been mass protest demonstrations up and down the country.

Portugal and other South European countries are also feeling the squeeze. We are then faced with the exodus of thousands of people from their homeland who desperately search for a better life.

Shortly before the World Economic Forum held in Davos, Switzerland, where politicians and billionaires met, Oxfam warned that rising inequality would result in 1% of the world population owning more wealth than the other 99% by 2016. In other words the richest 1% would be in possession of 50% of the world's wealth. Very dangerous to peace and well-being.

The continent of Africa is rich in natural resources with tremendous possibilities in the world of agriculture. If sufficient of this wealth, with proper planning, were used to improve the lives of Africans, the scramble to get into Europe in the hope of a better life would probably subside. Instead the wealth is skimmed off by powerful global conglomerates. It is time those political groupings who constantly moan about immigrants, concentrated on the reasons behind immigration, including the death, destruction and displacement created by wars, then perhaps a little more sanity would emerge.

Research by Equity Trust, an organisation which campaigns to reduce inequality in the UK, stated that in 2008 the richest 100 people in the UK had the same wealth as 30% of ordinary householders.

Winnie Byanyima, executive director of Oxfam International, has indicated that the excessive wealth disparity we are now witnessing is dangerous and should be reversed. Oxfam has called on governments to adopt a civilized seven point plan:

1. Clamp down on tax dodging by corporations and rich individuals.
2. Invest in free public services such as health and education.
3. Share the tax burden fairly shifting taxation towards capital and wealth.
4. Introduce minimum wages and move towards a living wage for all workers.
5. Introduce equal pay legislation and promote economic policies to give women a fair deal.
6. Ensure that adequate safety nets for the poorest includes a minimum income guarantee.
7. Agree a global goal to tackle inequality.

We in Great Britain are undemocratically merged with EU which presides over the undemocratic pandemonium described in the foregoing. Billions of pounds are spent by our government on wars which encourage reprisals. Then we are told there is not enough money to run our health and care services which means that vulnerable and elderly people, most of whom have worked all their lives and contributed taxes, are neglected. How utterly crazy.