

15th April 2016 - the EU referendum

The EU referendum is a diversion of the kind that governments employ to hide real issues. What has Westminster council tax got to do with it? Take a look at the 2016/17 Westminster council tax table below - how do the figures compare with what you, in Wiltshire presumably, are paying? Take band D - £668 in Westminster, £1,595 in Wiltshire. If you would care to check Rightmove, the first twelve pages for Belgravia are for properties over £5-million; the first page alone lists properties valued between £30million and £63million. And the council tax paid for these first-page properties is £1337 (band H).

Your council tax bill 2016/17*

Band	Westminster City Council	Greater London Authority	Total
A	£261.87	£184	£445.87
B	£305.52	£214.67	£520.19
C	£349.16	£245.33	£594.49
D	£392.81	£276	£668.81
E	£480.10	£337.33	£817.43
F	£567.39	£398.67	£966.06
G	£654.68	£460	£1114.68
H	£785.62	£552	£1337.62
% change	+3.99%**	-6.40%	-0.60%

*Excluding levy for Montpelier Square Garden Committee and the Queen's Park

A 14th April 2016 Times article included the following '*One hundred thousand properties in London have been bought through secret offshore companies. They include almost all the homes in Kensington Palace Gardens, Britain's most expensive street, and 64 of the 76 apartments in One Hyde Park, London's most expensive new development. The land owned by these companies across the UK covers an area three times the size of Greater London. Until 2013 these purchases even escaped the stamp duty that ordinary people had to pay. These anonymous buyers include friends of Bashar al-Assad, and an associate of a former Kazakh secret police chief accused of murder.*' Criminal and laundered (principally foreign, non-European) money has poured into the London market, forcing prices up in every area, and snatching houses away from the people who live and work there. The movement of the white British is often characterised as white flight - the indigenous population forced out of their neighbourhoods by foreign money. According to census data, the capital's white British population fell by 620,000 between 2001 and 2011.

The Times article continued '*London house prices have doubled since 2007, and last year the head of the National Crime Agency, Donald Toon, warned bluntly that "the London property market has been skewed by laundered money. Prices are being artificially driven up by overseas criminals who want to sequester their assets here in the UK". It is staggering that we have allowed this to happen. Three quarters of under-35s in the capital don't earn enough to buy a property here, because in the competition to buy homes they're effectively competing with the richest and most corrupt people in the world. A whole generation either can't move to the capital or can't afford to live together and start families here, since anything beyond a shared room is unaffordable. And now foreign investors are moving into the regional cities too.*'

The Government's pamphlet on the EU referendum states "The UK is a strong, independent nation". Really? Twenty years ago, less than a fifth of the UK stock market was foreign-owned; now the proportion has risen to 53% (ONS stats). For the first time in history, UK plc is majority-owned by foreigners. And with the Asian and Russian invasion of London's and now provincial housing market, UK's land, businesses and property are under the hammer as never before. Successive governments, since the 1980s, have squandered UK's assets (what happened to the UK's oil wealth when compared with Norway's?) and sold off the family silver. The EU is not the problem, our own governments have done a grand job in selling us down the river.

There are a number of articles on this website about the ownership of British industries: our railway industry is largely run by foreign (nationalised, ironically) groupings; our utilities (electricity, water) are, largely, foreign-owned; our market-quoted companies are increasingly foreign owned (more than 50% of them as stated above); our steel industry is owned, principally, by Tata, an Indian company; Ferrovial of Spain has a considerable stakeholding in British airports (Heathrow, Aberdeen, Southampton, Glasgow) and so on. Pilkington Glass - British? No, Japanese. What could be more British than Cadbury's chocolate? Ha - now American-owned of course. Remember ICI? Following a takeover by Dutch firm AkzoNobel, 29 factories were closed, including many in the UK, with the loss of 3,500 jobs. Westland Aircraft? Now under the control of the Italian Leonardo Corporation.

Quoted in *Britain for Sale* by Alex Brummer (2012), the chairman of WS Atkins, engineering company, said the following: "Why does ownership matter? The key issues are those of basic control. Ownership inevitably affects strategy; investment; taxes and where they are paid; employment; procurement; group synergies; R&D; stock exchange listing; diversification and location of operations; choice of products and markets and prospects for senior management. The location and culture of controllers of the business are important and will, over time, and in various circumstances, have a fundamental impact on the future of the business".

Quoted in the same book, the veteran Evening Standard commentator Anthony Hilton took a similar view with "Apart from the massive loss of corporation tax revenue that usually follows a foreign takeover, the national interest is damaged in a host of other ways - by the loss of top jobs, the loss of high-end research and the fact that the loss of a local head office can rip the heart out of a community. Take the company out of the town and you destroy the town".

Remember Hawker Siddeley and its British subsidiaries A.V. Roe (Avro), Gloster, de Havilland and their legion aircraft: Hurricane, Shackleton, Lancaster, Harrier, Hawk (Red Arrows), Hunter, Nimrod, Comet, Vulcan, the RJ Jumbolino (I have flown to Sarajevo in one of these a few times), Meteor and many, many more? On 29 April 1977, as a result of the Aircraft and Shipbuilding Industries Act, Hawker Siddeley Aviation and Dynamics was nationalised and merged with British Aircraft Corporation and Scottish Aviation to form British Aerospace. However, this accounted for only 25% of the Hawker Siddeley business by this time. The 75% (principally now, non-aviation business) was acquired by BTR in 1992 which, in turn, was acquired by Invensys in 1999 which, in turn, was acquired by French giant Schneider Electric in 2013 (most of this information from Wikipedia). Get the picture ... Britain and British industry belongs to someone else.

In France, the loss of a Cadbury would be out of the question. Widespread state holdings in vital utilities act as a brake on proposed takeovers. The French have consistently resisted pressure to allow foreign energy companies to compete freely in their domestic market. They argue that it is in the national interest to prevent key technologies falling into foreign hands. Spain has worked hard to ensure that the country's energy companies remain Spanish. Germany believes that strength at home is the first step to success abroad. In Japan, selling a company over the heads of management is unthinkable. And in the United States, regulations exist to protect strategic assets. Given the resistance by other nations to overseas takeovers, why has Britain sold and is it continuing to sell the family silver? A principal reason, given in *Britain for Sale*, is Britain's love affair with banking and services and the fact that many financial institutions make much of their money from buying and selling companies.

But now, apart from our infrastructure and industry, our very homes are progressively being swallowed up by foreign buyers. Using Freedom of Information legislation, Private Eye obtained Land Registry data regarding property purchases by offshore companies between 2005 and 2014 (note: just offshore companies and just for a ten-year period!). That list of more than 100,000 properties is shown in the file 'link' below (if you are reading this in August/September 2018, the file is provided in a separate link in the 30th August 2018 News article). And note that with this government's proposed sell-off of the Land Registry (see 25th November 2015 article below) and in spite of its pledges to openness, this kind of information will, if the Registry is privatised, become much more difficult to obtain (under Freedom of Information legislation). Not only that but perhaps, this register of British land will itself fall into foreign hands!

Do any of you out there watch TV soaps? Coronation Street, Emmerdale, Eastenders? Or did anyone manage to catch the programme *Last Whites of the East End* on BBC1 (Tuesday 24th May 2016) which reported on white flight from the East End to Essex. The East End is now almost entirely devoid of its former, white, working-class residents. Eastenders is no longer a soap reflecting life, it is now a historical drama. And in the metropolis, at the 2011 census, 36.7% of London's population was foreign born (including 24.5% born outside Europe). This figure represents just first-generation 'foreigners'; when second-generation is taken into account, this figure rises to over 50%.

The front page article in the 25th May 2016 *guardian* was headlined 'The London skyscraper that is a stark symbol of the housing crisis'. This told the story of The Tower, a 50-storey block of residential apartments in Vauxhall where: 62% of the apartments are foreign-owned, in 184 of the 214 apartments no one is registered to vote in the UK and ownership is hidden through the device of the offshore company or investment trusts such as Century Rich International, Capital Yield and Huge Success Management.

The *guardian* article quotes one traced owner, Mr Chong Meng Lai who runs a waste management business in Singapore and is trying to sell his apartment for £2.6m, "I used it a couple of times a year ... It was used for less than 60 days ... It is basically a holiday home". The article goes on to say that Mr Chong is one of the international rich who have several homes around the world. Another traced resident, Peter Young also from Singapore who lives at The Tower for less than two months a year said: "There's not much of a community, people come and go. Most of these types of places, including this one, are owned by people who don't live there".

The £51m, 5-storey penthouse is owned by the family of Andrei Guriev, a Russian billionaire and former senator. King Ebitimi Banigo, a former minister in the Nigerian government, purchased a flat for £2.7m. Vitaly Orlov, a Russian fishing fleet owner bought an entire floor

for £13m (see this 2006 *guardian* article: <http://www.theguardian.com/environment/2006/feb/20/fish.food>). Sharshenbek Abdykerimov, a former MP and vodka tycoon in the former Soviet republic of Kyrgyzstan also owns a flat.

As the *guardian* article illustrates, The Tower is merely a symbol of what is happening all over the capital. Malaysian developers are transforming Battersea Power Station into a housing development with prices of one-bedroom apartments ranging from £1/2m to almost £2m. Other properties in the former power station are for sale at up to £3m. Many have been sold off-plan to Chinese investors. On its website the agent, Knight Frank, has a 'bulk buy' button! The reader may have wondered, from the first few paragraphs of this article, what London council tax rates had to do with anything but my dear rudloescene readers, you may see that these millionaire/billionaire foreign owners/investors are paying less in council tax than you are for your property in north-west Wiltshire.

While foreign money and in many cases money of extremely dubious origin is pushing up prices by astronomical proportions in central London, indigenous Londoners are being pushed out to the suburbs where the central London prices are having a knock-on effect. Prices and 'market rents' here are also increasing to unaffordable levels. So what are the Government's solutions? Typically, instead of addressing the underlying problem of the essentially corrupt London property boom, they propose a 'market rent' bill which will force those ordinary, working-class Londoners who have perhaps lived in their rented accommodation for a lifetime to decamp to beyond the suburbs.

Let's take the example of a retired couple living in Shoreditch with total pensions of just over £40k (which is an arbitrary income threshold set in the Housing and Planning Act 2016, to make market rents compulsory for council tenants earning over £40,000 in London and £31,000 elsewhere) paying a monthly rent of £900. This couple has lived in Shoreditch for the whole of their married life; their 'world' is here - neighbours, friends, social life. The average market rent in Shoreditch is now, in 2016, £2500 per month. Clearly, this corrupted market rate is way beyond what the couple can afford. They will, therefore, if and when this Act comes into effect, be forced out of a home and community where they have lived all their working lives. This is nothing less than social cleansing by a government of and for the rich, powerful and, in many cases, corrupt.

Returning to the Land Registry now and to a previous epithet ... **it is staggering that the Government would want to privatise such a fundamental part of England's (and Wales's) infrastructure.** According to a Times report on 26th May 2016, two American private equity firms and a Canadian pension fund all with business links to tax havens or secretive jurisdictions are believed to be among the venture capital businesses interested in the Land Registry. This is yet another case of selling the family silver for short-term, financial gain (in this case £1.2bn) in an attempt to 'reduce the deficit'. If the Government gets its way with this and other sell-offs e.g. Network Rail, Ordnance Survey, NATS (air traffic control), there will come a time in the not-too-distant future when so much of our land and infrastructure will be in foreign hands that our 'owners' could rebrand Britain itself just as foreign owners of English Premier League and other football clubs use their wealth and power to rebrand their new whimsies.

This is our own government asset-stripping the very fabric of our nation for short-term and short-sighted objectives. A definition of asset-stripping found on the Web is as follows: 'asset-stripping is a method in which a company, known as a corporate raider, attains control of another company and then auctions off the acquired company's assets. The sold assets are often used to repay the debt of the corporate raider'. Ironically, our national corporate raider, our own elected government, has gained its position of power through our flawed electoral system. What the government is doing is no less invidious than Maxwell's raid on the Mirror Group's pension fund in order to shore up the company's share price - for pension fund read national assets, for share price read the deficit.

The most fundamental purpose of an elected government is, we are told, defence of the realm. But what realm? We are almost at a point now, never mind the future, when the realm is no longer ours. If and when we go to war, who and what will we be defending? A substantial part of Britain's infrastructure, its industry and its land is no longer British and not only that many supposed citizens are not, or don't consider themselves to be, British. A good read on this subject is James Meek's *Private Island* (2014) with the subtitle *Why Britain Now Belongs to Someone Else*.

I am reading a marvellous book at the moment called *Underlands* by Ted Nield. It is a social history of mining, quarrying and geology centred in South Wales where the author was born and grew up. A significant part of the book discusses Aberfan and the 1966 disaster when a slag heap slipped down a hillside engulfing a school with the loss of 144 lives, 116 of them children. The book quotes from the following tribunal's report ... there were 'no villains in this harrowing story of bungling ineptitude, by many men charged with tasks for which they were totally unfitted ... decent men led astray by foolishness or by ignorance, or by both in combination'.

Does this sound familiar? However, in the case of the present government I am not convinced that they are "decent men" (or women) who are pushing this country into an abyss. And markedly, their actions whilst foolish to say the least are deliberate. Why they would be following such a path is beyond comprehension. Ted Nield, again in *Underlands*, describes a walk taken at night on the outskirts of Aberdeen where 'I found myself staring down a more or less vertical drop into the biggest, blackest abyss that I had ever seen'. Britain is now on the edge of such an abyss.

And the abyss is of our governments' own making. Much has been made of the immigration issue in the EU referendum debate. But our own government, in 2004, at the time of the A8 accession (8 nations including Poland) decided to liberalise our immigration policy. The government took the decision to allow citizens of the new EU member states the right to work in the United Kingdom resulting in one of the largest migration flows in UK history. This was not of the EU's making, it was our own government that took this decision.

Allow me to quote from a letter to the Observer (5th June edition) from Laurence Perry of Burgess Hill: "*David Mitchell argued (in an article) that the decision about membership of the EU is too complicated to determine in a referendum. It should be decided by the government. Okay, but only if the government is representative of the will of the people. The present government is not. Two-thirds of the electorate did not vote for this government which has forced us into this referendum for party political reasons. We face the most important political decision of our generation but the debate has been reduced to over-simplification, wild assertions and a lack of historical perspective. For sustained peace and prosperity, give me the bureaucracy of the EU with its checks and balances and many voices (including our own). To allow my voice to be heard in the UK don't give me a referendum - give me proportional representation. That would provide a government fit to make the big decisions on our behalf.*"

Even in our current system, lacking in proper representation, on a free vote the majority of MPs in parliament would choose to remain in the EU. James Gray, our North Wiltshire MP, has made much of returning sovereignty to our parliament in Westminster. However, on the matter of leaving the EU, there will be no bill presented to parliament and no vote. The decision will be made, looking at the polls, by a tiny majority of voters one way or the other. At present (7th June now), the Brexit campaign appears in the ascendency. If we do vote to leave the EU by a small majority, this will be the precursor of endless wrangling about the legitimacy of the method and the decision.

The Cabinet briefing paper on the EU referendum, dated 12 May 2016, makes interesting reading. It says, inter alia, that: "*the final result, once declared, will be final but it is not legally binding. The legislation makes no provision for a required threshold for turnout to be achieved or for a specific majority. It means that regardless of the turnout a majority of a single ballot is all that is required for one side to be declared the winner. The European Referendum Act 2015 does not include provisions to implement the result of the referendum; legally, the Government is not bound to follow the outcome. The Cabinet Office published a document in February 2016, The process for withdrawing from the European Union which states: **The result of the referendum on the UK's membership of the European Union will be final. The Government would have a democratic duty to give effect to the electorate's decision. The Prime Minister made clear to the House of Commons that "if the British people vote to leave, there is only one way to bring that about, namely to trigger Article 50 of the Treaties and begin the process of exit, and the British people would rightly expect that to start straight away."** As mentioned above there is no provision for a national or regional recount of votes. Once a local count has been declared by the counting officer no recounts can occur. A declared result (nationally, regionally or locally) can only be challenged by judicial review. This must be lodged within six weeks of the declaration being challenged*".

It is quite possible that the result may be so close that, effectively, neither side could rightly claim victory. As the briefing paper says, a single vote one way or the other is all that is required for one side to be declared the winner. There is no provision for a recount of votes. This ain't no way to run a railroad never mind a country. I foresee that whichever side 'wins', the result will be challenged and a judicial review requested. The country and the EU will be in limbo for many months (perhaps years) while lawyers put their cases and charge extortionate fees. And the final outcome will be so contentious that no one will be satisfied. It is not beyond the bounds of possibility that a general election will be called.

But to return to my assertions about UK governments, the Remain campaign's statement that "The UK is a strong, independent nation" is laughable. I reaffirm, the problem is not the EU, it is our own governments. I was reminded of this on 25th April 2016 by a question in the daily Times quiz ...Which BMW subsidiary's new car, Dawn, is a four-seat convertible? The answer? Rolls-Royce. Like Rolls-Royce, Britain is now a subsidiary nation.