

London mayor Boris Johnson to return as Tory MP on anti-European Union platform

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Boris Johnson, the Conservative Party mayor of London announced last week that he is seeking to stand as MP in the 2015 general election, whilst serving out his term as mayor until May 2016.

Johnson's return would augment Prime Minister David Cameron's recent cabinet reshuffle, which represented a further shift to the right. William Hague, who as foreign minister advocated Britain being "in Europe not run by Europe", was considered not hard-line enough and was replaced by Phillip Hammond, who is on record as prepared to vote for a British exit from the European Union (EU). Michael Fallon, who was promoted to defence secretary, has also stated that a British exit from the EU may be necessary.

Previously an MP from 2001 to 2008, Johnson's return would represent a further hardening of the anti-EU stance of the Tories.

It is also widely viewed as Johnson's initial move in challenging for the leadership of the crisis-ridden party, against Cameron, were the Tories to lose the 2015 general election. Whilst Cameron has promised an "In-Out" referendum on EU membership in 2017, Johnson favours an exit if the EU is not reformed to suit Britain's interests.

In a speech before his announcement, Johnson said there was a "great and glorious future for Britain in Europe if we can reform it. But there might also be a great and glorious future...as an open, outward-looking economy that has great trading relations with Europe but starts to think more and more about the rest of the world...."

His speech was directed at anti-EU sentiment within the Tories and amongst supporters of the right-wing United Kingdom Independence Party (UKIP). In May UKIP, on an anti-EU ticket, won the largest share of the vote in the European elections. For the first time in a

national election, the Tories placed third, as the party haemorrhaged support to UKIP.

Johnson's remarks coincided with a report by his chief economic advisor, Gerard Lyons, that outlined various scenarios for the British economy, via 20-year projections, including leaving the EU. Lyons has spent 27 years in senior positions within the City, including at Chase Manhattan, Swiss Bank, DKB and Standard Chartered.

As London mayor, Johnson speaks for the financial aristocracy, whom he describes as the "zillionaires" and "hedge fund kings". He views even the most limited social regulations emanating from the EU as an intolerable burden on this obscenely wealthy layer.

In a barely disguised call for far deeper austerity, Johnson said, "As [German chancellor] Angela Merkel has wisely observed, we cannot go on forever with a world in which the EU has seven per cent of the population and 50 per cent of global social security spending."

Johnson attacked "the stuff coming from Brussels, that is helping to fur the arteries to the point of sclerosis." He denounced "the weight of employment regulation" as "back-breaking", including "the collective redundancies directive, the atypical work directive, the working time directive and a 1000 more such regulations."

Giving examples of EU legislation he wants "reformed"—i.e., removed—he cited regulations for vehicles over 3.5 tonnes. These were "over-prescriptive" as they stipulated that drivers must not drive more than 9 hours a day and 90 hours in any two consecutive weeks, and had to take at least 11 hours rest a day, he said.

Summing up, he declared, "I want a Europe of opportunity, a cartel-busting, market-opening

Europe....” He warned, “I want an end to the pointless attacks on the City of London—which is after all the asset, the financial capital of the whole of Europe”, before castigating the euro as “a misbegotten political project...which shows no sign of breaking up...at the moment.”

On this basis, Johnson set out a hit list of eight reforms that needed to be negotiated by Cameron with the EU in order to satisfy the City, including changing “social and employment law so that we minimise the costs to all EU businesses”.

Likewise, the defence of the ill-gotten gains of the City of London aristocracy is unashamedly central to the Lyons report, entitled “The Europe Report: A Win-Win Situation”.

Such is the stranglehold of the London-based oligarchy that when the report speaks of the “UK economy”, it invariably means the City of London, referred to as a separate economy from the UK as a whole and the ninth biggest in western Europe. Section 2 of the report is headed “The London Economy and Europe”.

Lyons sets out four scenarios and bluntly concludes, “If the UK cannot achieve reform in the EU it should leave. If the UK leaves the EU and retains good relations with the EU and if the UK pursues growth focused policies then this will provide a better economic outlook for the UK than the status quo of remaining in an unreformed UK.”

The report favours the policy it coins the “Brave new world”, in which the UK would remain in the EU but with substantial London-centric “reforms”. In this scenario, it forecasts that London’s economy would nearly double in size to £640 billion, with a further 1 million jobs added in the capital.

Lyons says that remaining in an unreformed EU is not an option. “The UK can only achieve serious reform if it is serious about leaving, and it can only be serious about leaving if it believes this is better than staying in the status quo of an unreformed EU. It is.”

He warns that were the UK to leave the EU and operate “isolationist economic policies”, this would cost London’s economy more than 1 million jobs.

The City is by no means universally in favour of departing the EU, with Lyons noting that in “London’s financial district” there is a “big fear” about an exit. Seeking to reassure them, he writes, “London is

Europe’s financial centre. It needs to retain its global focus—being the financial centre of the world as well as the EU, and positioning itself as it is in new growth markets such as the offshore renminbi.”

Responding to business concerns, the report states, “Although increasingly much regulation is global in nature, one issue is whether London’s global competitiveness may suffer from further intrusions because of EU membership....” Pointing to proposed EU regulatory changes, the report cites the dangers of “limiting bankers bonuses” and the financial transactions tax” as being “a real threat of future erosion of competitiveness”.

The report adds, “Outside the EU, it is possible that despite all the uncertainty the City retains its international competitiveness, overcoming the initial phase of uncertainty”.



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