

British government's "Project After" plan for post-Brexit economic crisis

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13 February 2019

The British government's preparations for a "no deal" Brexit are revealing the architecture of a dictatorship in rapid formation. Earlier this year, it was reported that up to 50,000 regular and reserve troops were being mobilised to deal with multiple crises emerging out of fuel, medicine and food shortages. The government was also, according to the *Times*, "gaming a state of emergency and even the introduction of martial law in the event of disorder after a no-deal Brexit."

Last week, the *Financial Times* reported the existence of a secret economic planning group in the British government, lead by the head of the civil service and Cabinet Secretary Mark Sedwill. Nicknamed "Project After," the group includes leading personnel from the Cabinet Office, the Treasury, the departments handling business and international trade and works closely with the Bank of England.

The FT quoted a Whitehall insider describing the group as "basically a Doomsday list of economic levers we could pull if the economy is about to tank." The source reported that Sedwill had been working on the plans since last summer, although the group had been operating for over two years.

Sedwill's previous roles include work as a United Nations weapons inspector, private secretary to two Labour Foreign Secretaries prior to the invasion of Iraq, and British ambassador to Afghanistan and to NATO. In 2013, he became Permanent Secretary at the Home Office and since 2017 has been the National Security Adviser in the Cabinet Office, a post he has retained while being Cabinet Secretary.

Sedwill's group is reported to be concentrating on concerns regarding the agricultural, automotive and pharmaceutical industries. His involvement indicates that Prime Minister Theresa May considers the work to be critical.

Leading business spokespeople have repeatedly warned

that a no-deal Brexit risks wrecking the auto industry. In January, car parts supplier Unipart warned that leaving the EU without a trade deal risked a "cascade of failure" in the supply chain.

Measures reported to be under consideration by Sedwill include proposals to slash import tariffs and taxes, hand over subsidies to exporters and rip up environmental and labour laws. "If we wanted to become Singapore-on-Sea that's what we would have done," commented an official.

The Singapore reference is to the Brexiteer aspiration that, freed from the EU with Britain's shift into a low tax, tariff free, export processing zone, the elimination of encumbrances to profit such as labour, environmental and health and safety regulations could be accelerated.

The Tories have gone some way towards achieving their aspirations to a Singapore model. They intend to now lower corporation tax to 17 percent by 2020, equivalent to Singapore's, from its present level of just 19 percent. When Margaret Thatcher took office in 1979, it stood at 52 percent. But there is more to be done.

According to Carol Kopp of Investopedia.com, tax breaks are also available in Singapore for start-up companies, qualifying foreign banks, offshore funds, and global trading companies. Established global trading companies are eligible for concessionary tax rates of 5 percent to 10 percent for five to 10 years. Singapore levies a 20 percent tax on personal incomes in the highest tax bracket, above US\$240,000, and does not tax capital gains.

Commentary on Project After noted that a "no deal" Brexit would drive down the value of the pound, causing inflation to soar at a point when the government is already implementing £1.5 billion benefit cuts for the most vulnerable in society. Offsetting inflation by further tax cuts would be far more likely than increased public spending, while the Bank of England could revert to quantitative easing in which the government buys its own

bonds.

Other frantic and more immediate preparations were reported last week. The *Guardian* reported that the government is recruiting thousands of civilians to work in the EU Exit Emergencies Centre (EUXE) being set up and projected to run for up to two years. The *Guardian* speculated that EUXE would have a “Gold Command” military type structure and operate out of offices close to Westminster.

Besides seeking external recruits on £300 to £400 a day, the civil service is also trawling the education and international development departments for volunteers for the new department. Recruitment notes call for “unflappable individuals” for three types of emergency centre officers. Officers should be able to provide notes for ministers “at pace” and “battle rhythm” for emerging calamities. Recruits should be able “see the emergency trends with little or no information and act appropriately at pace.”

In November it emerged that over 900 Environment Agency staff had been moved to the Department for Environmental, Food and Rural Affairs (DEFRA) specifically for Brexit preparations.

EUXE had previously been reported as a 24/7 emergency centre attached to DEFRA. Managers being recruited in December were required to “be able to see through the fog” in an organisation intended to “manage any situations that arise if the UK leaves the European Union without a deal.” Vacancies were also coming up for 50 staff to liaise with the Civil Contingencies Secretariat, which deals with major emergencies, terrorist attacks and war.

In December, the Cabinet Office's John Manzoni told Westminster's public administration and constitutional affairs committee that £2 billion had already been allocated to hire, in all, 20,000 staff for “no deal” preparations. New “arms-length bodies,” i.e. semi-private, had been set up to take over powers repatriated from the EU.

The government is also preparing for major supply failures.

The *Derry Journal* reported that civil servants in Northern Ireland have also been asked to volunteer to staff petrol stations, to “facilitate the oil industry in fuel contingency planning in the unlikely event of a supply disruption”—in other words fuel rationing. The Northern Ireland Department of the Economy told staff that emergency coverage would involve postings at 75 petrol stations across Northern Ireland.

The volunteers would liaise with “organisations and individuals providing key functions, such as hospitals and healthcare workers” to ensure they “continue to receive fuel until normal supply is resumed.” They would be “directed to a network of strategically located filling stations spread across [Northern Ireland] and identified as a priority for supply from reduced stocks.”

“Volunteers would check the validity of fuel permits... record details of the amount and type of fuel purchased so HQ staff can track demand patterns.” Two staff would be placed at each petrol station.

Similar measures are undoubtedly under consideration across Britain.

The *Guardian* reported a memo from Dr David Rosser of University Hospitals Birmingham NHS Foundation Trust warning that he could not envisage any “no deal” Brexit that did not imperil patient safety. Rosser warned, “In terms of the potential for major operational impact and severe and widespread risks to patient safety, by far the greatest concern is the availability of medicines, devices and clinical supplies.”

Rosser said that the Department of Health and Social Care had identified supply problems but had not made any findings available to hospital trusts.

According to the *Evening Standard*, a leaked Department for Transport document warned of transport problems growing “exponentially” in the event of a “no deal.” The papers were part of Operation Yellowhammer, the government's code name for all its no deal emergency preparations.

The document warned, “If there is no deal, the impacts could be felt and could fall across every transport mode [and possibly each sector within wider government] and could grow exponentially as the capabilities of responders at all levels decrease or become overwhelmed.”

The author warned of multiple unknown unknowns. “Critically, it has to be understood that there will be issues of unanticipated impacts that arise or impacts which had not been fully understood.” Presently the department would not even be able to cope with two emergencies at once, the document stated.



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