

# The CBI's foolish games

Towards the end of the 1990s, during drinks after at a debate at Bath on joining the euro, Mr Idris Francis, a long-standing supporter of withdrawal from the EU, asked Kate Barker, the CBI's chief economist at the time, why she had not produced any calculations on the effects of joining the euro. She replied, in front of several others, that, **"There are so many effects subject to such wide margins of error that it is impossible to know what the consequences of joining would be."** But he then asked her "But do you and the CBI want to join anyway?" to which she replied **"Yes."**

Mr Francis quoted this exchange at several later meetings. At one Labour-organised meeting in Bournemouth, he was threatened with eviction by a senior figure in the *Britain in Europe* campaign. He also received a letter from Kate Barker, objecting to him quoting her words, but at the same time she confirmed what she had said.

Kate Barker must now be regretting her foolish support for the Euro. The CBI was thankfully dissuaded from supporting it as far back as 1999, thanks to the *Business for Sterling* campaign group. However, it has certainly not changed its policy of supporting our membership of the EU, come what may.

The Vote.Leave campaign recently gained access to the leaked minutes of the CBI's president's committee in July 2015, where former Chairman Sir Michael Rake told the meeting, "It is important not to overplay our hand in the negotiations with Brussels, like Greece, and that [the] CBI should be strong in making the case for competitiveness within Europe". The meeting was attended by Lord Maude, Minister for Trade and Investment, as well as other government officials.

It should be noted that this is the same Sir Mike Rake, who was the deputy chairman of Barclays Bank, which was fined

£284.4 million by the Financial Conduct Authority over “brazen” currency rigging.

It seems from his comments that no lessons have been learnt by the CBI in the years following its misjudgement on the Single Currency. Indeed, it is frightening to think that the CBI will almost certainly end up supporting another leap in the dark as untried and as doomed to failure as the Euro – namely UK associate membership of an EU. This will place the UK permanently in the EU’s powerless second division while the First Division – the Eurozone members – call all the shots.

It is so obviously a bad solution of the UK’s “problems” with the EU, but it is almost certainly what David Cameron will be offering us in the forthcoming referendum, aided and abetted, no doubt, by the CIB. It is sad indeed that an organisation claiming to be “the voice of business” does nothing more than play silly games.