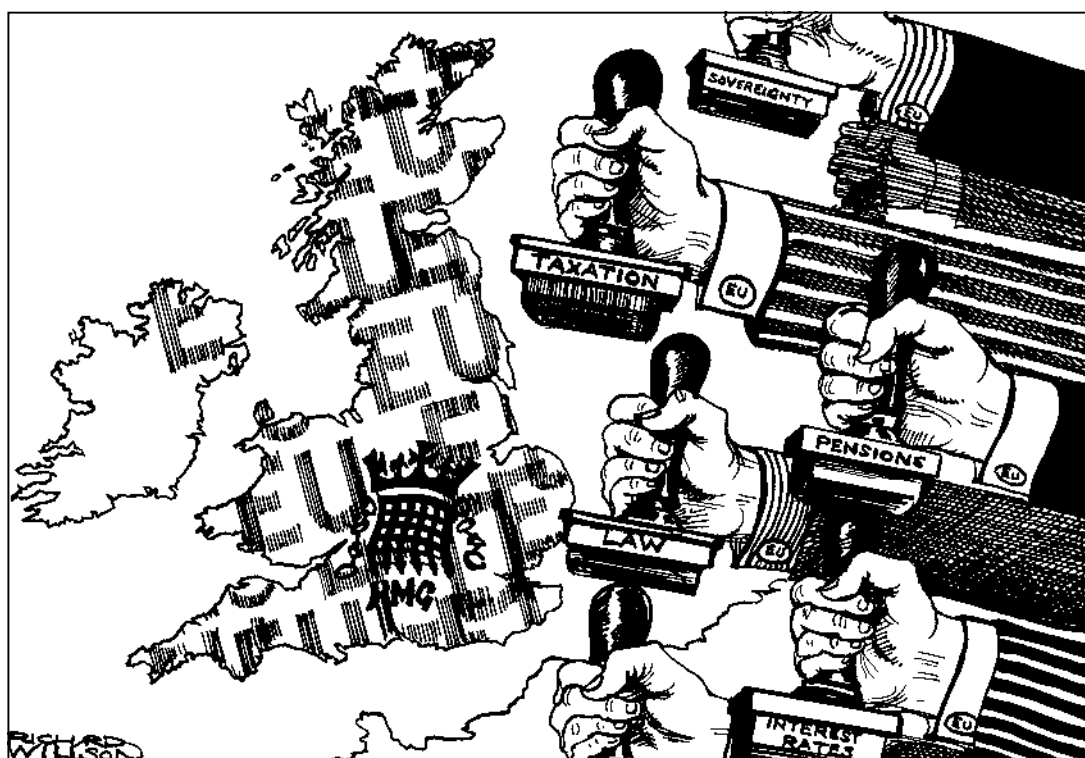


THE EUROPEAN JOURNAL

THE JOURNAL OF THE EUROPEAN FOUNDATION



ROGER HELMER, MEP

THE DEATH-KNELL OF BRITISH INDEPENDENCE



PAUL BELIEN • JOHN C. SCHWARTZ • DAVID POLLARD
DR LEE ROTHERHAM • DAISY PRINCE • OLIVER CRAWLEY
MATTHEW ELLIOTT • ALEX WIELAND
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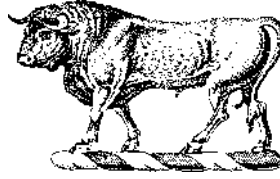
ISSN 1351-6620

For subscription and advertising enquiries, please contact the editorial office.

A subscription form is printed on the inside back cover.

SOLON

sōlon, *n.* a famous lawgiver of Athens (594 b.c.), one of the Seven Sages; a sage; a wisacre.



The Repercussions of the German Election

THE GERMANS have been to the polls and decided to keep the Chancellor who has been serving them since 1998. Herr Schröder only just pipped Stoiber to the post. The election campaign offered a number of surprises, not least the pendulum-like motion of the opinion polls. Schröder was rescued first by the floods, then by the threat of war with Iraq. Pacifism has been a vote winner in Germany since the war – it was destined to be a good platform to campaign from. How damaging this stance will be to the country's international relationships is not yet clear. It seems highly unlikely that President Bush appreciated Schröder's right-hand girl comparing his actions to that of Hitler.

The resignation of Herta Däubler-Gmelin was accepted although she denies making the comments that led to Senator Jesse Helms saying *"The German Chancellor has damaged German relations with the United States in ways that cannot be easily repaired. Clearly the Chancellor does not care."*

Another minister who had to take a sudden step back down the German political ladder was the head of the Social Democratic parliamentary grouping. He had not gone quite as far as Frau Däubler-Gmelin but the comparison between President Bush and a Roman emperor *"lauding over his colonies"* were still seen by those in Washington as *"excessive"*.

For the European integrationists the German stance on war with Iraq is a bitter pill to swallow. It is unclear whether the favoured concept of *"ever close union"* can be achieved when the objectives of the countries involved are so incompatible. A common security policy would not be able to align the viewpoints of Germany and Britain, let alone those of the entire region. Whilst France looks out for France, Holland wants to avoid being involved.

Widening the net only makes the views more diverse. The UK is supporting America and Bush in their aim to end the threat posed by Saddam Hussein at the same time as the Germans elected their Chancellor on the exact opposite premise.

The expansion of the European Union is already under threat from the weak position the new German government is in. It has only an 11-seat majority – making it hugely reliant on the 55 seats now held by the Greens. Should the Green Party disagree with any policies proposed by the SPD the government would be unable to get legislation through.

The European Commission is quite clearly worried by the tenuous position in which Schröder finds himself. *"There is absolutely nothing to fear. Germany is firmly anchored in the European project"* was how it expressed itself to the British press. Publicly Blair supported Schröder. Equally publicly Chirac supported Stoiber, whom he thought would make a better ally in the voting councils of the EU, as well as on the Iraq issue.

With many showdowns imminent – farming and fishing subsidies, international action, the convention, the constitution and the final plans for enlargement are all due within the next four years – it will have to be seen whether the SPD is capable of surviving for its full term. Stoiber has said he will have them out in a year. Unless the German economy suddenly changes direction, he may well be right.

There were those in the newly formed government who promised to achieve that in three weeks. This seems unlikely to be possible. Having joined the euro, Germany is no longer able to determine her own interest rates – which should be very different to those of most of the eurozone. For forty years the mark was one of the strongest currencies in the world. Now, perhaps, Germany is about to learn the lessons the British learnt ten years ago. For ten years the *European Journal* has been arguing that the stresses and strains of Maastricht and the subsequent treaties would come home to roost – now they have. Losing control of your economy means that when things are bad, they are very, very bad.

Prototype of Europe: Belgium Today, Europe Tomorrow?

*Brussels is a monster in the making. If you want to know what it has in store for the Eurosceptics, look at what is happening to the Belgosceptics. For the second time this year, the party poised to become the biggest party in Flanders in the forthcoming elections, has been brought to court in an attempt to prohibit it. **Paul Belien** asks: Why do the Belgian authorities of Guy Verhofstadt and Louis Michel so urgently want to outlaw the Flemish separatist party, Vlaams Blok?*

BELGIUM offers relevant insights into the future of the European Union. As Belgian Prime Minister Wilfried Martens said in 1989: “Belgium is the prototype of Europe. The Federal Belgian State is a prefiguration of a Europe of Peoples, brought together in their organised diversity.”

The Kingdom of Belgium, consisting of Dutch-speaking Flanders and Francophone Wallonia, was established in 1831 after an historical accident that only in retrospect came to be known as the Belgian Revolution. Indeed, the new state was unwanted by the Flemings as well as the Walloons. In the Autumn of 1830, Francophone radicals had rebelled against the Kingdom of the Netherlands, of which the Belgian provinces formed a part. The rebels wanted Belgium to join France. The establishment of an independent state had not been their intention, but was the result of an international compromise reached in the summer of 1831. The French diplomat Talleyrand described the new country as “an artificial construction, consisting of different peoples”. According to his Austrian colleague Dietrichstein, the Belgian nationality was “a political attempt, rather than an observable political reality”.

The international community was sceptical about the viability of their artifact: Belgium cannot last, said the grand old men of European continental diplomacy, from Metternich to Napoleon III to Bismarck. That it survived was Lord Palmerston's fault: he preferred to have an internally divided bogus state on Britain's doorstep rather than a strong nation, and made London vow to uphold the independence and territorial integrity of the “artificial construction”. *Perfidious Albion* also installed its own agent in Brussels: Queen Victoria's uncle, a promiscuous hypochondriac from Coburg (a German backwater, where Victoria's mother and husband came from, too) was appointed Belgium's King Leopold I. “Nothing holds the country together; it cannot continue to exist,” he confided to his son in 1865, a few months before his death.

However, his successor, King Leopold II, proved him wrong. The younger Leopold was the most brilliant – and ruthless –

politician of his age. Not only did he succeed in acquiring a privately owned colony, the Congo Free State, but a century before Public Choice theorists James Buchanan and Mancur Olson, he discovered what government was all about: taking wealth from some to give it to others. “I regret the internal situation in my country,” he wrote in his diary in 1865: “Thanks to Lord Palmerston, the Belgian State has nothing to fear from external enemies. However, into this furnace, we must bring a great and novel idea.” He wanted a colony, so that he could squeeze it dry and with its profits buy the adherence of a Belgian class of “apostles and supporters”.

FOR THE FIRST TIME, a group of people became genuine Belgian patriots. The perceptive King had realised that in an artificial country unselfish, disinterested patriotism does not exist; the fervour of any man's patriotism is in direct proportion to the financial benefits he receives from the state. Morality was not Leopold's concern: “I am a great man,” he told his collaborators, “which is not the same thing as being a good man.” After his death, the Brussels newspaper *La Nation Belge* aptly summarised his policies: “The King wanted to be rich so that he would be in a position to compensate, personally and generously, those who served the common good.” In Belgium, the servants of “the common good” have to be bribed by the head of state. Loyalty to “the common good” has to be bought. Corruption inevitably becomes the foundation of an artificial state. Look at Belgium, look at Eurocratia.

Meanwhile, all unselfish patriotism was being eradicated. It was dangerous to profess one's attachment to Flanders, rather than to the Belgian artifact. In his childhood memories, the popular Flemish novelist Ernest Claes describes how he was caned by the headmaster after he had said in class: “Flanders is my fatherland.” The Belgian authorities even censored a poem by the poet Guido Gezelle because it spoke of “dear Flanders” without mentioning Belgium. (Imagine having all references to “dear England” prohibited unless they mention Europe as well.)

Leopold II's nephew and successor, King Albert I, transformed Belgium into a corporatist welfare state, where the so-called “social partners,” rather than Parliament, decide economic and social policies. These “social partners” are the Belgian Employers' Federation and three trade unions (a Christian, a Socialist and a Liberal one) which are recognised by the State as the only official representatives of the employees. Albert I bound the Flemings and Walloons together within one single social welfare system. He regarded Flemish Separatism as the greatest threat to the Belgian construction and tried to neutralise it through the institutions of the social partners, which all spanned the linguistic divide. By giving these a direct share of power in Belgium, he made them into defenders of the Belgian status quo. If big business and the trade unions were given all economic and social power in the European Union, they, too, would become its staunchest defenders.

“Have we not been called the laboratory of Europe,” the Belgian ideologue Léon Hennebicq wrote in 1904. “Indeed, we are a nation under construction. The problem of economic expansion is duplicated perfectly here by the problem of constructing a nationality. Two different languages, different classes without cohesion, a parochial mentality, an adherence to local communities that borders on the most harmful egotism, these are all elements of disunion. Luckily they can be reconciled. The solution is economic expansion, which can make us stronger by uniting us.”

IN THE 1930S, Henri De Man, the leader of the Belgian Socialist Party and one of the closest personal friends of Albert I's son, King Leopold III, declared that the Belgian construction had to be transplanted to a higher level; he wanted to replace it by a pan-European and eventually a global welfare system. “I insist on being a good European, a good world citizen, as much as on being a good Belgian,” he said in an interview in 1937. De Man and his deputy, Paul-Henri Spaak, the Belgian Minister of Foreign Affairs, reckoned that if one had to live in an artificial welfare state, it would be best to have one on as large a scale as

possible. They proposed an economically unified Europe under authoritarian leadership with one single economic policy, one foreign policy, and one defence policy.

IN JUNE 1940, De Man called the Nazi victory “far from a disaster, a deliverance: *The Socialist Order will thereby be established, as the common good, in the name of a national solidarity that will soon be continental, if not worldwide.*” His friend King Leopold III was glad, too, that Britain had been defeated. “*It is impossible to hesitate between German supremacy and English supremacy,*” he said, explaining that England was “*a social danger*” and that he preferred the social-economic performance of the authoritarian German system. Moreover, Hitler would end the supremacy of the “*Judeo-Mason clique*”. In a speech in Antwerp on 20 April 1941 (Hitler’s birthday), De Man told his followers that it was necessary to “*transform Belgium, not abandon it,*” through “*an Anschluss to Europe.*” What was needed, he said, “*was as much Federalism and as little Separatism as possible,*” so that “*Belgium, exactly because it is not based on a unique national sentiment, can become the vanguard of the European Revolution; the principle on which the new European Order hinges.*”

Though the political careers of De Man and Leopold were over after the war, their ideal survived thanks to Spaak. De Man’s deputy had spent the war years in London. He remained faithful to De Man’s vision of Belgium as a multinational Social-Corporatist welfare state that needed to be elevated to a European level. Spaak, who in his 1969 memoirs describes De Man as “*one of those rare men who have given me the sensation of genius,*” authored the so-called *Spaak Report* in April 1956, which laid the foundation for the Treaty of Rome the following year. It recommended the creation of a European Common Market as a step towards political unification. “*Public opinion was indifferent,*” Spaak says in his memoirs about the Rome Conference: “*The work was done by a minority who knew what they wanted.*”

In the 1990s, Belgium as an artificial state became the ideal of another group in addition to the welfare state corporatists. In an *Open Letter* in 1998, a group of “*post-modern*” Belgian intellectuals wrote that they cherish the Belgian flag “*because the latter does not represent anything,*” and that Belgium, exactly because it lacks a national identity and is “*post-national*” constitutes a supreme morality. The latter notion was

also the opinion of King Baudouin, the son of Leopold III, who in July 1993, in the last speech before his death, stressed the importance of “*the European construction,*” which in following Belgium’s lead “*can best help us to resist the temptation of egotism and narrow and disastrous nationalisms.*” His brother, King Albert II, reiterated the same warning last Summer, on 21 July, when he warned against “*a repetition of the disastrous 1930s.*” With these words, he did not refer to his father’s anti-Semitism and Nazi-sympathies, but to the growing popularity of the Separatist Vlaams Blok.

THIS PARTY IS BELGIUM’S DEADLIEST enemy. It is depicted by the Belgian establishment as the political heir of the Nazi collaborators, but in reality it is a broad coalition with a wide range of differing views (from Libertarian to Socialist) and only one common goal: the dissolution of Belgium. In 1985, the late Lode Claes, one of the two founders of the Vlaams Blok, wrote that Belgium is characterised by an “*identity of non-identity*”. This was repulsive to Claes, who argued that without identity there can be no morality. Without a sense of national identity, public morality inevitably withers away. The Vlaams Blok is also Belgium’s only eurosceptic party.

FOR TWO DECADES, the steady growth of the party has been inspiring fear in the corrupt Belgian establishment, including the “*social partners*”. Although the Vlaams Blok, led by MEP Frank Vanhecke, is currently the third party in Flanders with 15 percent of the votes, it figures prominently on the Belgian State Security’s official list of dangerous and subversive organisations. The Belgian police services wage a dirty war against the party – euphemistically called “*controlled intimidation*” – by infiltrating its chapters with provocateurs and intimidating the electorate. After the last elections, the head of the Antwerp police told a national newspaper that he had “*no respect*” for the 33 percent of the city’s citizens that had voted for the Vlaams Blok: “*They forget that when they need to shit, they should use their arse instead of their mouth,*” the highest ranking police officer of Flanders’ largest city said. According to the leader of the governing Liberal Party, Vlaams Blokkers are “*dung beetles*”.

The dirty war extends to the Belgian trade unions who exclude everyone who is known to be a Vlaams Blok member. Given that Belgium only recognises three official

unions and that in Corporatist Belgium the unions hand out the unemployment benefits (a task for which the government pays them), the consequences of such exclusion can be severe. The party is also denied access to the government owned networks. The Flemish Broadcasting Corporation (VRT) has adopted a charter stating that it does not provide a platform for “*any opinions that propagate discrimination and social exclusion*”. Most newspapers (all of them receive government subsidies) follow this policy. Journalists who do not, are depicted as “*crypto-Fascists*”. The Vlaams Blok only draws media attention when it stages stunts (and Filip Dewinter, the leader of the Antwerp chapter of the party, has a knack for this).

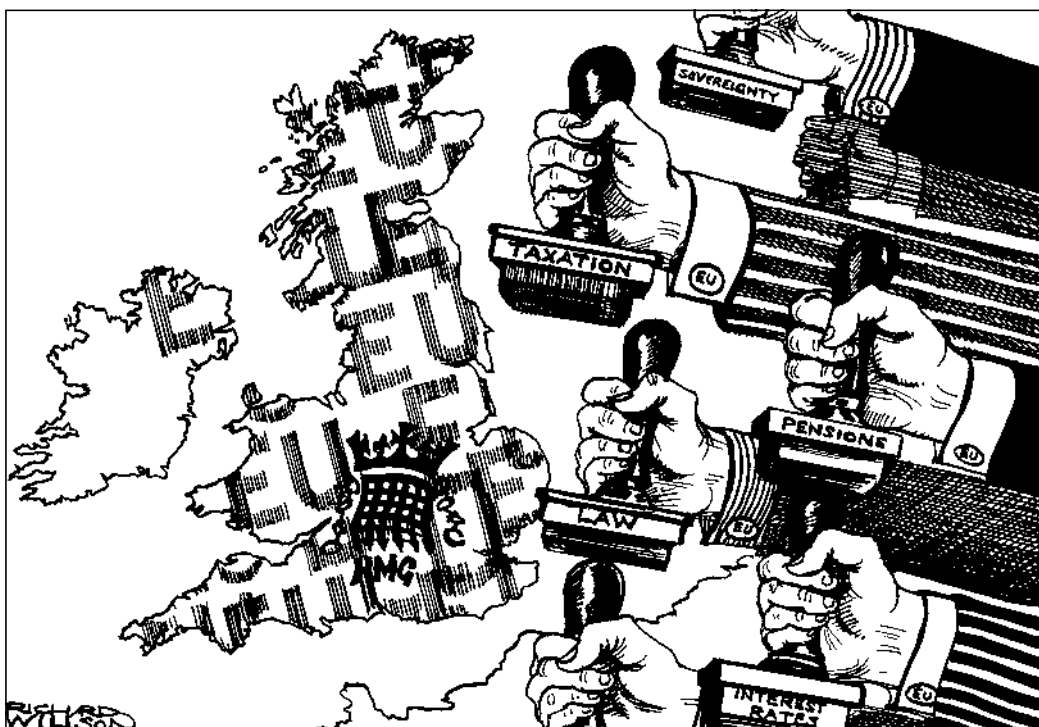
SINCE 1994, government agencies and NGOs supporting the Belgian regime have been harassing the Vlaams Blok with costly, time consuming court cases, hoping to obtain a judicial verdict outlawing the party or robbing it of its subsidies. As it is illegal for a Belgian party to receive private donations, all “*democratic parties*” are subsidised by the taxpayers in accordance with their electoral results. If, however, a court should rule that the Vlaams Blok is an “*undemocratic*” organisation, the government can defund the party and kill it. So far, the Vlaams Blok has never been convicted. As recently as 28 June a Brussels court refused to issue a verdict, arguing that it was for the electorate to decide whether a party was “*undemocratic*” or not.

On 10 September new judicial proceedings against the party were started in Brussels. Because Belgian judges are political appointees, Louis Michel hopes to succeed in his aim to declare the party an illegal organisation, so that it can be prevented from participating in the next general elections, which are due at the latest in June 2003. The stake is very high. Indeed, if the party should become the biggest Flemish party, the “*Belgian model*” would collapse. If the prototype of the post-modern, non-national, multi-cultural state that the European Union is hoping to become, were to fail, that would be a disaster for Brussels – for its Belgocrats as well as its Eurocrats.

Paul Belien is a lawyer and a journalist based in Belgium. He has been a contributor to the European Journal for a number of years and is actively involved in Belgian politics.

The Death-knell of British Independence

by Roger Helmer, MEP



A COUPLE OF WEEKS AGO I took part in a debate at Lincoln University. It was sponsored by the London Office of the European Parliament (yes, I'm afraid there is one), and on the panel with me was turncoat MEP Bill Newton Dunn, elected as a Conservative but now sitting as a Lib-Dem. In answer to a question from the audience, he started talking about the Convention on the future of Europe, currently taking place in Brussels.

He compared it to the 18th century Constitutional Convention in Philadelphia that created the United States of America, and then went on, as near as I can remember: *"We don't know what the outcome will be, but I hope we will end up with a Constitution for a sort of United States of Europe."*

This, remember, is the man who in 1998 told his Conservative selection meeting that he was no longer a federalist, that he was fully in support of William Hague, and of the Conservative Party's policies on the EU and the euro.

I immediately interjected *"But you don't want a superstate?"* Bill looked exasperated and trotted out the number one Euro-Myth: *"Nobody in the EU wants a superstate."* He went on to explain that the US had a federal constitution. The United States of Europe would also have a federal constitution, with

powers devolved to member states, and therefore could not be a superstate. I couldn't resist the open goal. *"So the USA is not a superstate?"*

In their pretence that the EU is not an emerging superstate, it appears that the europhiles have narrowed the meaning of the word until there is nothing left – even the USA is not a superstate. But it is *"One nation under God"*, so by admitting that he wants a *"United States of Europe"* on the model of the USA, Newton Dunn makes it clear that he wants Europe, too, to be a single nation, and the former member states merely provinces.

They may be even less than that. A model often talked about in the EU is that of *"A Europe of Regions governed from Brussels"*, which is exactly where John Prescott's regionalisation programme is leading us.

One of Newton Dunn's Lib-Dem colleagues, Andrew Duff MEP, goes further. In his submission to the Convention, he proposes a so-called *"Exit Clause"* for the draft constitution. A *Daily Telegraph* editorial suggested that *"Prison Clause"* would be a better description. Yes, secession would be possible, in theory, but it would require a qualified majority in Council, a two-thirds majority in the European parliament, and ratification by all member states.

In practice, it would be almost impossible to leave.

Under our unwritten constitution, the Crown in Parliament is sovereign, but in effect sovereignty resides with the people, who sub-contract it to an elected parliament for up to five years. It is because the people can change the rules and change the government every five years, that we have the well-established doctrine that no parliament can bind its successors.

So for the moment we can console ourselves with the thought that, at least in theory, a new British government might decide to secede from the EU. Although the current treaties provide no mechanism for secession, they do not rule it out. But under the Duff proposals, the people would lose that right, which would then reside with foreign governments. Duff proposals indeed.

It seems to me that this marks the clear point at which we cease to be an independent nation, and become a mere province. At the moment, we can argue that we are a sovereign nation that has entered into certain treaties, but may withdraw if it so decides. Under the Duff proposals, we have scarcely more right to secede from the EU than the Isle of Wight to secede from the UK.

Imagine the situation following the first British general election after such a constitution was signed and ratified. British constitutional lawyers would be able to argue that the Constitution was invalid, as the previous parliament, which had ratified it, had no powers to bind its successor. But the European Court of Justice would certainly find the opposite – that the Constitution was binding, and that British ambitions to secede were bound around by conditions that could never be met.

The stage would be set for a very serious dispute, where lawyers on both sides would feel they had strong but conflicting cases.

It seems to me that anyone seeking to overturn our current constitutional settlement, to deny and terminate the sovereignty of the Crown in Parliament, and to pass ultimate authority for our country from Westminster to foreign governments, is

arguably betraying the independence and sovereignty of our country.

Now I imagine that Duff would argue that “*sovereignty pooled is sovereignty enhanced*”, that a transfer of ultimate power by an elected UK government to the EU was a valid democratic decision, that benefits would flow to the British people from these new constitutional arrangements.

But no doubt Burgess and McLean, the notorious spies who betrayed British security secrets to the USSR in the fifties, would have argued that they acted in the best interests of the people. The British proletariat (they would have said) were ground down by the capitalist classes, British democracy was a sham, Russia and the Socialist International would stand guarantors for true democracy and equality and prosperity for the British people.

As Shakespeare observed, a man may smile and smile and be a villain. Anyone who sets out to undermine the constitutional status of his country will have no problem finding fine words, plausible arguments, ringing phrases. The stench of self-justification will hang in the air. But the plain fact remains, he wants to pass ultimate control of the British people to a foreign power. For many of us, betrayal is the only word that fits the case.

When I used to say that the next European war would be the British War of Secession, I thought I was exaggerating wildly to make a merely rhetorical point. Now, I'm not so sure.

Roger Helmer is a Conservative Member of the European parliament for the East Midlands and a member of the European Foundation's UK Advisory Board.

The United States of Europe: Plus ça change ...

by John C. Schwartz and David Pollard

ATTEMPTS to found a country called Europe go back a long way. The promise of economic benefits has often been used to lure the electorates and disguise the political motive. The underlying thrust in the last five or six decades has remained that of creating a superstate. And, as a state needs a constitution there have been various attempts to put one in place.

Free Trade or Customs Union?

IN THE 1920S, a case was made for worldwide simplification and lowering of tariff barriers. European states, though, saw an economic threat from America. A European customs union, it was said, would have the economic benefits of increased free trade within Europe while potentially holding off competition from America. From a Eurocentric mercantilist point of view, this may have had merit.

With free trade, so theory has it, everyone does what they are best at. With a customs union by contrast, the countries inside the union reap the benefits of free trade while holding off competition from outsiders. This is fine for some participants, but those that have been trading more widely or more intensively with the outside world have to suffer the disadvantage of import levies and retaliatory tariffs on exports in trade with their existing external partners, with whom they were previously free to trade however

they wished. The disbenefits can outweigh any advantages.

In 1923, Count Coudenhove-Kalergi had suggested “*a United States of Europe*” in his book, *Pan-Europa*.¹ France's Foreign Minister, Aristide Briand, a fervent advocate of Franco-German reconciliation, took up the idea and presented a paper advocating a Federal Union to the League of Nations in September 1929. In May 1930, France's ‘Briand Memorandum’ was circulated secretly among the 26 other European members of the League. Its proposals included “*an annual conference ... under a President...; an executive committee; the establishment of fundamental principles...;*” and a “*programme of co-operation*” covering “*economics, transit, finance, labour, health and intellectual co-operation.*”² There would be a variety of organisations which would organise matters and, importantly, an appropriate budget to fund them.

Sir Arthur Salter, a member of the British delegation, wrote: “*What does the conception of a United States of Europe mean...? Its obvious meaning is complete free trade within Europe: a Zollverein ... It means a common tariff, which involves a political instrument to determine it; it means the distribution of the proceeds to all member states, and again therefore a political instrument to determine how the distribution should be made... The United States of*

Europe must be a political one before it can be an economic one.”³

Two deceptions had been introduced – first that a customs union is the same as a free trade area; second that there needs to be a body to collect and distribute “*the proceeds*”. And these deceptions, together with the ‘slice of the action’ that they allow the administrators, have subsequently been adopted and maintained by the eurocrats. Their power and income depends on it.

Moves Towards a Federation

SOON after the Second World War there were renewed moves to found a superstate. “*The first attempt at a major step towards a European Federation was the Council of Europe in 1949.*” This attempted to achieve “*the political goal of federation ... by a political road. It was to become a European Parliament and ‘make Europe’.*”⁴

With the Schuman Declaration and the Treaty of Paris, ‘the Six’ established the European Coal and Steel Community (ECSC) in 1950: “*the pooling ... of coal and steel production under a supranational High Authority as the first stage towards ‘a European federation indispensable for the safeguarding of peace’.*” Squabbles set in, however, with attempts to proceed further and establish the European Defence Community (EDC) with “*a joint European army subject to the control of institutions similar to the ECSC.*”⁵

Progress with the EDC being stalled, between September 1952 and March 1953 the 'ad hoc Assembly', comprising the ECSC Assembly together with three MPs each from France, Germany and Italy, carried on. *"Its tasks were to integrate the ECSC and the EDC in the new Community; to set up a common market in gradual stages; to conclude international treaties or agreements; to adopt annually a budget composed of resources belonging to the Community itself (tax revenue, borrowings ...) and contributions from the states."* So, they were to have a substantial degree of legal authority and a sufficiently large budget. Their terms of reference were *"to pass and enforce legislation binding on the citizens and states of the Community as a means of accomplishing [these] tasks"* and the institutional framework would have a Parliament comprising a 'House of Nations' and a 'Senate', an Executive Council which would act as a government, a Court of Justice and an Economic and Social Council. An intergovernmental conference in Rome lasting six months *"completely demolished the draft"* and the EDC was finally rejected by the French Assembly in 1954.⁶

An Alternative Road

THOUGH these attempts at union by the political road failed, the pragmatic, and fraudulent, road using the promotion of a customs union masquerading as free trade remained open. Not everyone failed to note that while the route had changed the destination remained the same. After the Common Market was established in 1958, William Pickles, then a lecturer at the LSE, commented: *"The most important thing about the EEC is that its ultimate purpose is wholly political. It is the fruit of an alliance between federalists and exponents of laissez-faire from which there emerged a tacit agreement that laissez-faire should be the method and federalism or something approaching it the goal. The laissez-fairists are by no means all federalists, but believe they have made a good bargain since method comes first and the goal may never be realised."*⁷

Progress towards the federalist goal became a piecemeal process, step by remorseless step. Despite occasional objections from some of the participants it nevertheless continued largely unchecked past several important milestones. In 1994 another attempt was made to use a constitution to unify the European edifice which by now was becoming somewhat pear shaped. With so many treaties,

protocols, amendments and judgements, even the protagonists were no longer clear about the finer points. Although there was not yet a European army or police force, most of the institutions that a state requires were in place. The European Court of Justice had established its authority, and a working relationship had been melded between the Commission and the Parliament, which was now elected rather than delegated. None of the major national political parties could afford to pull out for fear of losing influence.

1994: The Herman Constitution

RAPPOREUR Mr Fernand Herman's *Working Document on the Constitution of the European Union*,⁸ was astoundingly frank. Perhaps it is just because it was so frank that hardly anyone took any notice.

"Since its direct election in June 1979, the European Parliament has committed itself to the path of institutional reform with the aim of ... ever closer union... To attain this ambitious objective, the Parliament has relied on a double strategy: the strategy of 'small steps' in the context of the existing treaties and the more comprehensive strategy of the project of European Union with the accent being placed sometimes on the one and sometimes on the other, depending on opportuneness and the political situation."

He endorses the superiority of *"Community procedure over intergovernmental methods"*, praises the European Parliament, explains that the text of the treaties is in a bit of a muddle, blames the ERM debacle on intergovernmental incompetence, and continues:

"The time has thus come for Parliament, as during the blackest days of Euro-pessimism at the beginning of the '80s, to put Europe on the right track again by proposing to the citizens of Europe alternative solutions to the hopeless impotence of national governments."

"Why a Constitution rather than a treaty? A treaty is usually an agreement between sovereign states which remain sovereign; it binds only them and is applicable only to them. It does not directly bind the citizens of these states... No obligation can be imposed on them against their will outside the obligations defined in the treaty."

Herman and Co. anticipated widespread acclaim. Ordinary mortals might have been expected to riot when faced with the prospect being of bound and having obligations imposed on them against their will. Perhaps it is because the proposition is so outlandishly preposterous that it is

simply unbelievable and hence was met with profound disinterest. The Constitution was put once again on the back burner. It was not there for long.

If At First You Don't Succeed

THERE may only be a short window of opportunity now before the political or economic strains cause cracks that cannot be ignored. With the prospect of expansion there is also an increasingly urgent need to put the myriad details of the existing Treaties into some sort of cogent and comprehensible form.

The commitment to the project by most political parties has been enhanced by the prospect of EU funding from the Community budget. Young federalists have been encouraged with millions of euros and asked for their ideas on a constitution. The Convention on the Future of Europe has staged sumptuous jamborees for months. A new draft constitution is expected ... soon.

The EPP has already presented its suggested constitution,⁹ drafted by a team of 'legal experts' during the summer. (Whether these experts came from the EPP, from the Commission or elsewhere is not clear.) This restates the main aspects of the EU structure, somewhat like a summary of the main features of the existing Treaties, and pulls the details together as a series of annexes. As with the Herman proposal, there is no option for secession.

There is still a chance that the EU might disintegrate peacefully. The longer it goes on though, the greater the strain that it imposes on one or more of its members, and the more likely it is that the readjustment may be violent. We must hope that the deal done in the 1950s between the 'laissez-fairists' and the federalists does not come to fruition.

1 Sir Arthur Salter, *The United States of Europe*, London, 1933, p.83

2 *op. cit.*, p.107

3 *op. cit.*, pp.91,2

4 William Pickles, *Fabian Tract 336*, 1962, p.9

5 EP, *Selection of Texts Concerning Institutional Matters 1952-1982*, Luxembourg, pp.12,13

6 *op. cit.*, pp.14,15

7 William Pickles, *op. cit.*, p.6

8 Fernand Herman, EP DOC EN\DT\234\234285, 1993 - available on the European Foundation's web site.

9 EPP Discussion Paper, *Constitution of the EU*, 10 September 2002

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Of Mice and Men

by Dr Lee Rotherham

LIKE CHRISTMAS, birthdays and the monsoon period, the rolling seasons have brought a time-locked event on us once more. This one, however, involves less wrapping paper or swaying palm trees.

The next elections for the European Parliament are set for mid 2004. As in American politics, these positions operate under a fixed term, in this case for five years. Also like the US elections, it means the campaign starts early – not for election mark you, but for reselection.

Since 1999, a new *modus operandi* has been in place. Thanks to the Labour Government's changes to the system (which have lately been criticised in a European Select Committee Report¹), regional lists have been established. Thus voters cast their ballot for a party – the system allows for individuals to stand but the increased deposit deters it – and those higher up the list are elected in turn, following the now-infamous d'Hondt system. For those who quite sensibly are not experts in Belgian electoral philosophy, the party with the most votes has its top of the list elected and then its total vote is halved; the party with the new largest vote has its top of the list elected and its vote is halved; and so on, until all the places available have been filled by whoever is the new top of the leading list.

Naturally, this means that it is vitally important to aspirants to the thrones of the rue Belliard to appear as high in the Party list as possible. If you are Number Seven out of seven possible places, only Pyongyang voting practices will see you through. This is, to say the least, unlikely, even under Millbank.

Thus the key elections are in fact the ones which determine who the candidates are and where they sit in the final ballot. The selectorate in this sense has more clout than the electorate.

How parties select their candidates varies. Some are relatively open, others less so, and all seem presently to be under review to cater for the fact that there are already sitting MEPs who were placed at the top of the list last time. As the song goes, should they stay or should they go? Should they have to resubmit themselves for placing anywhere on the list, should they automatically slot in at the top of the list but fight for placing, should they retain their current positions (allowing for retire-

ments), or should they go through the whole rigmarole from scratch? It seems extremely unlikely that, barring the wrath of Party Hierarchy, any will find themselves outside the top bracket.

Which leaves us with a question that has haunted activists of all Parties since the year dot. How do I know who I am voting for, what he stands for and, frankly, if he is the eurosceptic he or she says he is? Is the nice fellow on the podium quite telling the truth when he says he has always been a rugged defender of the national interest, scourge of federalists, outspoken critic of centralisation and general freedom fighter?

Quite bluntly, experience and burnt fingers tells us to be chary of such claims, regardless of the party of origin.

Two props exist to help us in our quest for the true candidate. The mask may be harder to remove if the individual has never held office before, and this is where Dr Sean Gabb's bold initiative, www.candidlist.demon.co.uk comes in. Any website which has received that amount of press coverage and 110,000 hits is clearly worth its salt.

The second, if the candidate is seeking reselection, is his own voting record. It should not be beyond the capabilities of any Association member with access to the internet to track through www.europa.eu.int, lock onto a key issue that was discussed in the European Parliament and see who voted in favour of it, either in Committee or in the plenary itself. Often in key matters there are requests for what is called a 'rollcall vote', which is the one occasion where ballots cast are recorded for posterity. Find a contentious issue and spot which way the usual federalist suspects voted. Then find out which of the British MEPs opposed them with the minority of Sovereignists from other countries. (Good luck, I have to say, finding Labour or Lib Dems in the right bracket.)

Failing that, you can ask them. If there is a selection board for regional association members to turn up and quiz them, you can challenge them to stand up for what they believe in. Any three of the following ten questions, for instance, should separate the wheat from the chaff.

1 Will he campaign to save the Pound? Or if there is a referendum tomorrow, will the candidate fight to scrap it? If the

latter, how will he oppose closer economic integration across the board, with the overwhelming consequences membership of the Single Currency zone will bring, for instance over tax harmonisation?

2 Does he support the repatriation of the Common Fisheries Policy? OK, the politics is more complicated, but the ten year derogation runs out at the end of the year, and the Commission can by itself only extend it a few months. But the Convention could put it on the agenda for the next IGC.

3 Does he support membership of his political group? As a rule of thumb, the major political groups are more federalist than their UK Party adherents, particularly the EPP but also the PES. If the opportunity arose, would the candidate support leaving and setting up a Euro-critical group, co-operating with his old group on areas not involving harmonisation where appropriate?

4 Has the candidate ever belonged to any campaign organisations covering the EU? For instance, early membership of the Bruges Group, CAEF or CAFE is a pointer to belonging to one side of the argument, the European Movement, Conservative Group for Europe or similar bodies to the other. Be advised, however, that peoples' opinions can genuinely change over time – otherwise, how else would we win the argument!

5 Does the candidate believe that enlargement is a panacea? Currently, this is a key marker. Enlargement is generally sacrosanct in party policies. But it has its downsides, and any candidate who expresses concerns – indeed, who has visited candidate countries and met critics of enlargement – is a true thinker on European issues.

6 Does the candidate support the Charter of Fundamental Rights? Even HMG opposes its incorporation into the Treaties, but this does not seem to have been picked up on by some MEPs.

7 How did the candidate vote in EP reports on intergovernmental conferences, Amsterdam, or more recently Nice, or the Lamassoure Report on the Convention? These reports are typically much more integrationist than the main texts themselves.

8 The budget. Has the candidate ever pushed for major reductions in the EU budget; say, cutting out budget lines for Europhile campaign organisations? Or is he generally happy with the way these budget lines work?

9 What does he believe the EU is 'for'? What is his view on the context of integration – its limits; what further powers need to go to Brussels; if any powers require repatriation; whether he supports powers going to Brussels to handle the fight against terrorism, most notably in Justice and Home Affairs, policing and border issues?

10 Could withdrawal from the EU ever be justified?

FOR YEARS NOW, members from a variety of political parties have complained that their views are being misrepresented at Brussels. Well, the onus is on you to turn up and ensure that candidates are voted in for the right reason. Not because they are affable and give a good after-dinner speech; not because their family have had links with the Party for donkey's years; not because they talk eloquently about protecting the nation state but never serve the cause of

sovereignty; nor because the Party's voters have been invited to the European Parliament for a jolly and feel indebted.

VOTE FOR THE IDEAS and not the smile. Vote so that the rosette will make a difference.

† *Democracy and Accountability in the EU and the Role of National Parliaments*, 33rd Report of Session 2002–02

Dr Lee Rotherham is a former General Election candidate.

... news in brief

Brussels cans Stability Pact

The European Commission has radically revised its reading of the Stability Pact and decided that the goal of balancing state budgets by 2004 is no longer feasible. It has "compensated" for this by saying that it wants to introduce tougher measures to balance the budgets by 2006 instead. Several national governments have accused the Pact of being too rigid and of not taking account of the ups and down of the economy: their concerns will only have been heightened by the latest IMF report which is again gloomy on the world economic outlook. The original date of 2004 was based on a growth rate of 3% in the euro zone, a prediction which has turned out to be completely unrealistic. The Commission is likely to revise its growth predictions for 2003 down to 2% while this year's growth is hardly going to be above 1%. This volte-face by the Commission will have the advantage of delaying a clash with France, which has announced that it will not balance its budget until 2007. Four countries remain objects of concern for the Commission – and not the least important ones. Although little Portugal is the worst pupil, with a deficit of over 4.1% of GDP, the deficits of Germany, France and Italy are all very close to the 3% limit. Germany's deficit may well exceed 3%. Italy has simply abandoned its plans to reduce overall debt: standing at 110% of GDP, it ought to be 60%. To make up for all this, the Commission has announced that it will henceforth wield even tighter central control over the budgets of member states: it will forbid states with tax revenue to spare from cutting taxes, for instance, and insist instead that they use any extra money to repay debt. [Arnaud Leparmentier, *Le Monde*, 25th September 2002]

Germany prepares to repair rift with Washington

The impending war has certainly put a cat among the pigeons, throwing all usual diplomatic relations into disarray. The row between Washington and Berlin has been particularly sharp. Yet within hours of having been re-elected on an anti-war and anti-American ticket, the government of Gerhard Schröder set about building its broken bridges with Washington. The German Chancellor visited Tony Blair, the Americans' closest European ally, within one day of his victory; Joschka Fischer, the leader of the Green party and Foreign Minister, said that the irritation caused by the comparison made between Hitler and George Bush by the German Justice Minister (who has since resigned) could be smoothed over. It is expected that Fischer will visit Washington very soon, where he is widely admired by the neo-conservative establishment close to the Bush administration. Fischer said it was "eccentric" to compare the American president to Hitler. He said that it was important, whatever the former Justice Minister had really said, that not even the

impression was given that such a comparison was being made. He emphasised that the USA was Germany's most important partner and he called for good relations with America. Without the USA, he said, the reunification of Germany would not have been possible. For his part, Chancellor Schröder recalled that he had put his government on the line when he took a vote of confidence on the question of Germany's participation in the war in Afghanistan. If there were now differences of opinion, he said, these should be discussed in such a way as not to damage relations. In Poland, where the American Defense Secretary is currently attending a Nato meeting, the Polish president said that George Bush had communicated to him his extremely deep sense of injury at the comparison with Hitler. Rumsfeld for his part refused to meet bilaterally with the German defence minister, Peter Struck. "I have no plans to meet that person," said Rumsfeld. [*Die Welt*, 24th October 2002]

Donald Rumsfeld ratcheted up the pressure on the Germans when he said in Warsaw on Wednesday that the United States had proof of a link between Iraq and Al-Qaida. The German Chancellor said during the campaign that if there was proof of such a link, then Germany would stand shoulder to shoulder with the USA in the war on terror. [*Die Welt*, 26th September 2002] The German Defence Minister, Peter Struck, said, after the meeting in Warsaw, that there were "signs that we will soon be back in a good atmosphere of friendly co-operation." Karsten Voigt, the co-ordinator of relations between the US and Germany, said that it must become clear that the USA and Germany share the same goals on Iraq, namely disarmament. The government spokesman, Uwe-Karsten Heye, also said that the German government would be working to re-build bridges but that no date had yet been set for a phone conversation between Schröder and Bush. Donald Rumsfeld showed no signs of any rapprochement, however: he said of the German government: "If you're in a hole, you should stop digging." [*Handelsblatt*, 26th September 2002]

German-Dutch bat to take over in Afghanistan

In their attempt to ingratiate themselves with the Americans, the Germans joined the Dutch in proposing that they take over joint command of the international force in Afghanistan. Colin Powell also tried to smoothe things over in an interview with the Russian newspaper *Izvestija*. "The German people has the right to elect its own government," said Powell magnanimously. "We will cultivate good relations with Germany." However, the deputy leader of the SPD parliamentary group, Gernot Erler, accused the Americans of massive interference in the German elections in support of the Christian Democrats. "America really did everything to support the opposition," [*Handelsblatt*, 24th September 2002]

Ten Years On from Black Wednesday – Why are people so unwilling to admit they were wrong?

by Daisy Prince and Oliver Crawley

It is always interesting to see how people's views change over the course of a decade. Some are commendable. Sam Brittan is one person among many who have clearly learnt from the disastrous events of September 1992. It seems incredible that so many people have not. The same arguments advanced for the Exchange Rate Mechanism are once again being wheeled out for the euro. We all remember the terrible effects of fixed exchange rates. Yet some of our leading politicians are trying to persuade us now that the euro is a good thing with the same fallacious reasons that they used to promote the ERM ten years ago.

The Labour Party supported the ERM, including Mssrs 'five tests' Brown and 'convergence' Blair. There are plenty of others who wish to get a 'Yes' vote at the referendum who either can't see or admit that they were wrong. Acceptance of these arguments now would cause Britain once again to lose control of her economy.

Here we take a look at what they said then and what they are saying now.

Then Now

Gordon Brown:

8 September 1992

*"The logic of events is not to abandon the ERM but to work to the principle of greater integration within Europe, side by side with greater co-ordination beyond Europe that would diminish speculative pressures, reduce the transaction costs that penalise industry, commerce and the mobility of citizens and make for the stability necessary for growth and prosperity."*¹

5 November 2001

*"A single European currency – with a fully developed single market – could in principle increase trade and competition through the elimination of exchange rate risk and through more transparent prices; reduce transaction costs, again increasing trade and investment, and benefiting everyone travelling in Europe; and lower long-term interest rates, again good for investment and so good for growth and jobs."*²

Gordon Brown:

Tony Blair:

7 October 1990

*"Entry into the Exchange Rate Mechanism will give rise to great competitive pressures. Training will be a key to competitive success if Britain is to benefit from membership of the Exchange Rate Mechanism, in the way it should."*³

5 November 2001

*"As the Chancellor said to you yesterday, the benefits in terms of stability, trade and investment are plain to see, and the technical work to complete the assessment is under way... The potential benefits for Britain of a successful single currency are obvious in terms of trade, transparency of costs and currency stability."*⁴

Tony Blair:

On 15 June 1998, Mr Blair told EU leaders: *"The decision to launch the single currency is the first step and marks the turning point for Europe, marks stability and growth and is crucial to high levels of growth and employment."*⁵

Michael Heseltine:

10 October 1990

"saluted" John Major, the Chancellor of the Exchequer, for joining the ERM. He said it was a precondition for conquering inflation.

"We can cure inflation," he said, *"but we can only do it if we set the preservation of the strength and stability of the currency as our first priority."*⁶

16 May, 2002

*"All the evidence shows that being in the euro will mean prices come down. Prices on most things are on average 15 per cent lower in the rest of Europe than they are here. If we were part of a common currency it would make it easy to compare prices across different countries. That would force companies to be more competitive and we'd all be better off."*⁷

Michael Heseltine:

Neil Kinnock:**5 April 1990**

Mr Kinnock said ERM participation would bring “greater exchange rate and interest rate stability, which are critical ingredients of sustainable growth..

Mr Kinnock said ERM membership was neither a panacea or an economic oxygen tent, but argued it would “provide a monetary sheet anchor for the British economy with the potential for the greater exchange rate stability and greater interest rate stability, which are the critical ingredients of sustained growth.”⁸

17 December 2001**Neil Kinnock:**

“To my mind, this constant hanging back on Europe is a mistake. The single currency is happening anyway. The economic arguments – stability, investment, employment opportunities – are overwhelming. And there’s a political one, too: to be in the EU but not the eurozone means feeling all the effects of the euro but having none of the power to influence policy.”⁹

Sir Leon Brittan:**25 May 1990**

“If war is too important a matter to leave to generals, money is certainly too delicate an issue to be left to economists,” Sir Leon said.¹⁰

16 May 2002**Lord Brittan:**

“I am glad the positive rhetoric is hotting up,” said Lord Brittan, former Conservative home secretary and European Union Commissioner. “The Prime Minister must realise that delay and uncertainty are damaging. I hope that we can now move rapidly to the completion of the assessment of the economic tests and a referendum.”¹¹

Sir Leon Brittan:**11 October 1990**

On the UK joining the ERM:

Sir Leon Brittan commented: “This is good news for Britain and good news for Europe. It will help the fight against inflation and is good for British business.”¹²

26 June 2001**Lord Brittan:**

Lord Brittan said the report showed one of Chancellor Gordon Brown’s five tests – the effect of membership on the financial services sector – was clearly met. “There is a substantial loss in saying no, a substantial gain in saying yes and saying it as soon as possible.”

He added: “The City is an important factor in the whole debate of Britain in Europe because of its importance to the British economy. The longer we wait the more we lose and the greater the risks. We must not allow ... this risk because of political timidity.”¹³

Roy Hattersley:**15 November 1989**

Mr Hattersley said: “Membership of the ERM is an essential step towards the greater co-operation that we want to see. We are eager to negotiate entry.”¹⁴

April 2002**Roy Hattersley:**

In a foreword to Tam Dalyell’s pamphlet about Labour support for the euro:

“The euro has been launched and the euro is a success. The old superstitions and prejudices are being destroyed one by one. It cannot be long before long before the Government calls a referendum with the recommendation that the United Kingdom takes its proper place at the heart of Europe.”¹⁵

Christopher Haskins:**20 August 1992**

Haskins: “Withdrawal from the ERM would certainly help exports and reduce imports. But it would also bring more inflation and higher interest rates – and wreck our political and currency credibility for a generation.”¹⁶

18 November 2001**Lord Haskins:**

Can the euro really be good for Britain? Haskins: “I think that it can be, and don’t forget that the European countries want to follow our model, which means fewer rules and regulations and a more positive attitude to enterprise. We have to be there (in Europe), and once the coins and notes are introduced in the new year, consumers will be able to compare prices more easily. The advantages of such transparency are obvious.”¹⁷

1 Independent

2 M2 Presswire

3 Press Association

4 Daily Post (Liverpool)

5 Daily Mail

6 The Times

7 Express

8 Guardian

9 Guardian

10 The Times

11 Financial Times (London Edition 3)

12 PR Newswire European

13 Birmingham Post

14 Guardian

15 Left Behind? Why the Labour movement backs the euro, Tam Dalyell

16 Guardian

17 Observer

Daisy Prince is a journalist, specialising in research on European affairs. Oliver Crawley is an experienced investment analyst and a regular contributor to the European Journal.

BRUSSELSBOURGER

by Matthew Elliott

WHISTLING IN THE WIND

FOLLOWING the collective 'resignation' of the Santer Commission in 1999, Neil Kinnock was given the task of cleaning-up the European Union's bureaucracy. As one of only four Commissioners reappointed, Kinnock promised "*root and branch reform*" to prevent a recurrence of the type of fraudulent activity exposed by whistleblower Paul van Buitenen. Three years into the job, Kinnock has his own whistleblower to deal with and he has patently not learnt any lessons from the past.

In May, the European Commission's Chief Auditor Marta Andreasen met Kinnock to express her concerns about the Commission's accounting system. She explained how the system failed to meet even minimum accounting standards and exposed a number of cases of fraud and mismanagement in the EU's £63 billion budget. These "*dangerous failings*" included the lack of double entry bookkeeping (allowing officials to alter accounts without trace) and "*glaring shortcomings*" in the computer systems which left them open to fraud. Rather than viewing Andreasen's private comments as a means of improving the Commission's accounts, the former Labour Party leader launched an offensive, culminating in her suspension at the end of August.

Kinnock's behaviour is completely at odds with the principles he outlined in 'A Whistleblowers' Charter for the European Commission'. The newly reappointed Commissioner began his speech in November 1999 by stressing that "*conscientious and responsible whistleblowing ... is necessary and justified*." He then went on to differentiate between protest whistleblowing (which is "*self-indulgent, sometimes wicked and often anonymous*") and watchdog whistleblowing (which is "*unselfish, serious and not hidden and weakened by anonymity*"), with the latter being "*whistleblowers who deserve encouragement and protection*".

Andreasen is a watchdog whistleblower. Selfish? In her former job at the OECD, she endured eighteen months unpaid leave after questioning their accounting system. Serious? She had specific concerns that she presented internally in accordance to the rules of procedure. Anonymous? She met

with Kinnock in person and refused to sign the 2001 accounts.

Kinnock was once described as being so ambitious "*he'd boil his granny for glue*." Glenys is lucky she has her uses as an MEP.

MORE TIME WITH THE FAMILY

THE beginning of the parliamentary year in Brussels was dominated by the Labour group's leadership election. On one level it was a non-event: one Eurofederalist was replaced by another Eurofederalist. On another level, it illustrated the continuing tension between the Labour group in Brussels and the Labour leadership in London.

The resignation of Simon Murphy as leader of the 28 Labour MEPs was, we are told, based on "*the incompatibility of the demands of a young family coupled with the stress of political life*." A major source of stress was the recent defection of Richard Balfe to the Conservatives, but it is mainly due to the ever-present unease within the Labour group over the Tony Blair's European policy. Far from being a loyal Blairite, Murphy's statements were repeatedly at odds with the London line. He criticised Blair for not calling the euro referendum at the earliest opportunity; he knocked Jack Straw's belief that the tide is turning back towards national capitals; and he whipped the group to vote for a European tax contrary to London's opposition to tax-raising powers for the EU. Described as "*the leading Eurofanatic*" by a socialist newspaper, it is unsurprising he found working with Blair stressful.

COLIN RUSSELL FOR LEADER

THE person most pleased with Murphy's decision not to stand for the European Parliament in 2004 was Michael Cashman, the former EastEnders star and Labour colleague in the West Midlands. In its drive to increase the number of female representatives, the Labour Party have decided to appoint a woman at the top of each regional list. In the West Midlands, this ruling would put Neena Gill at the top of the list, despite having been parachuted into the region in 1999 and showing very little commitment to the area since her election. Had he decided to fight another election and stay on as leader, Murphy would have been placed at number two out of seniority, leaving Cashman in the perilous position of number three. With Murphy gone, he is virtually guaranteed another term in Brussels. He won't, however, be leading the group. Having been tipped as the likely

winner of the contest, he announced that he would stay out of the race, preferring to focus on "*putting the case for the euro*". Tony Blair will be relieved by his decision. Commenting on the possible attack on Iraq, Cashman recently said: "*If there is military action, it will be cataclysmic for the Government, the party and the country. It will split us right down the middle*."

METTERNICH AND MUGABE

THE new leader of the Labour group, North West MEP Gary Titley, was recently dubbed the "*Metternich of modern Europe*" for his self-proclaimed role as European statesman. Among his other achievements, the substitute member of the Foreign Affairs Committee "*helped pave the way for Austria, Finland and Sweden to join the EU in 1995*." It now seems, however, that his influence may extend to the African continent. At www.garytitley.com, "*Garrison Titleman*" the "*Laborious MEP for Northeastern West England*" and "*Spokesperson advocating Foreign Affairs, Human Rights, Common Decency and Defectiveness*" is depicted as the Zimbabwean dictator Robert Mugabe. The website assures us, however, that it not "*affiliated in any way, with any British MEP, governmental person, bureau, agency, or anyone whose actual name is Gary Titley or Garrison Titleman. We reserve the right to poke some fun*." Hear, hear!

BABE OF THE YEAR

OF the eleven votes gained by the unsuccessful leadership contender Linda McAvan, it is unlikely that one came from her colleague in Yorkshire and the Humber Richard Corbett, who is still smarting from McAvan's success in being awarded a position on the influential European Convention. Corbett, the spokesman for the Party of European Socialists on the Constitutional Committee and expert in European constitutional affairs, announced that he would be on the Convention before being nominated. Annoyed by this challenge to his leadership, Murphy nominated his deputy, Linda McAvan instead. As for the leadership, McAvan already has a prestigious title. Earlier this year she was made 'European Woman of the Year' for her "*continuous and enthusiastic campaigning for Europe and the euro*".

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BOOK REVIEWS

The United Kingdom and the European Community Volume I: The Rise and Fall of a National Strategy 1945–1963

by **Alan S. Milward**, Whitehall History Publishing/Frank Cass, London, 2002, ISBN 0714651117, pp. 512, £65.00

Reviewed by Alex Wieland

“*THE UK EMERGED into the post-war world with many great but short-term advantages. Adjusting to the post-war world meant cashing in those advantages while they were still there in return for a stable institutional framework which would guarantee the two main objectives of post-war governments, military security and domestic prosperity.*” So argues Professor Alan S. Milward, one of the best-known and most distinguished historians of European integration and currently Professor of Contemporary History at the European University Institute in Florence, in this new work looking at the beginnings of the UK’s involvement with the European Community.

Designed to be the first in a comprehensive multi-volume study of British-EC relations and written with full access to all archival sources, Milward rejects what he believes has become the standard interpretation of events. Many historians, he asserts, particularly those who have argued that the nation’s strategy should have been geared toward creating closer association with Western Europe from 1945, have erroneously argued that Britain, and in particular the Macmillan government, ultimately chose to pursue membership in the European Community in the early 1960s only after having failed to successfully exercise influence on a worldwide scale, befitting its perceived status as a victorious Allied Power. Instead, Milward argues in a lucid and balanced fashion, that the UK had taken a more measured view of its weaknesses and relative power at the Second World War and initiated a process of gradual retrenchment and reorientation toward viewing itself as a middle-range power whilst simultaneously taking advantage of its close wartime relations with the United States, the Commonwealth, and, importantly, its European neighbours.

It was this process, Milward demonstrates, which formed the core of Britain’s ‘National Strategy’ between the end of the

war and de Gaulle’s “non” to UK membership in 1963, a strategy pursued with equal pragmatism by Labour and Conservative governments alike. Although, he acknowledges that most of the political, military, and economic advantages the UK possessed were “more usable” beyond its borders, with the United States and the emergent Commonwealth, it does not mean that the UK chose to ignore Europe or the advantages a relationship with the Continent could provide for it in the future. Emphasizing the diversity of opinion in the policymaking establishment regarding how Britain should associate itself with its neighbours – from those who favoured loose trade-based ties to the very small minority who favoured full European federation – Milward also is quick to point out that the UK was by no means obliged to involve itself in Europe.

EUROPE, he maintains, was not as helpless in 1945 as is commonly assumed. It did not need British defence, nor did it need British leadership. These misconceptions of European weakness, Milward estimates, have, in turn, made the historical argument that Western Europe should have been the primary focus of British policy subject to as many misguided beliefs about British power as those about the UK’s overestimation of its global strength. Therefore, Britain’s involvement with Europe from Attlee to Macmillan was dictated primarily by the belief that involvement with the EC, along with the US and the Commonwealth, would enhance Britain’s national prosperity and security as it entered a new phase of its history.

Indeed, it was this pragmatic approach, more than ideological concerns which determined the ebb-and-flow of Britain’s relationship with the EC. Milward’s spirited discussion of this is, by far, its most valuable asset. While he remains ever-cognizant of the state of debate on Britain’s relationship today, he deftly works to steer clear of

current impressions and prejudices which have been formed with the passage of time. He states that, while it would seem inconceivable to most followers of the European issue in the present-day given its relative unimportance in current affairs, it was the position of the Commonwealth and its trade ties with the UK which was of paramount concern to Whitehall and Downing Street. By contrast, Milward points out, questions of national sovereignty, questions that today are central to the European debate, received virtually no attention “except as a rhetorical flourish” and grew up only after the period under examination. As a result, the narrative is freed from present-day passions and is allowed to delve into the individual motivations of the policymakers themselves which, in turn, gives a truer picture of the period.

The focus of the book’s discussion is undoubtedly grounded in the economic sphere, reflecting the training of the author. However, this does not prevent Milward from constructing a well-rounded tome. Though not as fully developed as his exploration of trade ties and Britain’s attempts to move into the EC while maintaining its strong links with its former empire, the political and military dimensions of UK–EC relations are by no means ignored. Discussion of the ill-fated European Defence Community, EURATOM, and nuclear diplomacy with de Gaulle’s France also receive significant attention.

For those with an intellectual interest in this area, Alan Milward’s book is a valuable new contribution to the history of British post-war foreign policy and its often turbulent relationship with the European continent.

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Federalist Thought Control, The Brussels Propaganda Machine

by Martin Ball, Robert Oulds and Dr Lee Rotherham, RRP: £3.95, ISBN: 0-9541909-1-2

Reviewed by Annunziata Rees-Mogg

ALL PROPAGANDA DESTROYS ITSELF. Historical examples show that eventually people cease to believe anything an organisation tells them if they feel that it has been promoting itself with only partial truths. There is even less trust if the methods become seen as unethical.

This book is littered with examples of behaviour that could easily create these suspicions. If these are aroused in the public, it can only be assumed that the historical precedent set by Russia and the Third Reich, among others, will be repeated. As a guide to European funding for promotional bodies it is invaluable, it is also disturbing.

One of the most striking facts in the book is the way in which the EU is breaking British law. According to the 1996 Education Act, "*The local education authority, governing body and head teacher shall forbid the promotion of partisan political views in the teaching of any subject in the school.*" It continues to state that a balanced opposition viewpoint must always be given.

However, an EU document states that "... *[the] education system – and teachers in particular – will have a major role to play in forming and communication with young people. Young people will often in practice act as go-betweens with the older generations, helping to familiarise themselves with and embrace the euro.*" This is a clear breach of UK law. Many of the associated quotes are reminiscent of the ideas behind the Hitler Youth. On the whole I do not approve of comparisons between Brussels and the Nazi period but this one is too obvious to overlook. To most British readers this book will prove shocking reading.

The book breaks down the budgetary spending of the EU on specific propaganda aims. The group with the highest allocation is Socrates (also known, with typical EU opaqueness, as B3-1001 (791)). With a budget of €248,150,000 it supports educational projects for nursery schools through to universities. It also supports the Youth European Parliament. The €9,400,000 spent on projects held on the 9th May each year is

another fund that seems questionable. May be I am in the minority but I have never been asked to a Europe Day celebration.

The forms of propaganda discussed in this book cover virtually every sphere of life. It is incredible reading. It will disgust the reader; whether it is the waste of taxpayer's money you are concerned about or the under-hand manner in which information is disseminated. It is certainly a book worth reading for reference, providing invaluable examples of just how the 'European Superstate' is conducting its self-promotion.

Through propaganda one can gain an advantage by altering people's natural reactions to something. There is, however, a price to pay beyond the budgetary considerations. Cumulative mistrust grows and reaches critical mass. In the end people stop believing anything you say, no matter how true it is.

Annunziata Rees-Mogg is Editor of the European Journal

FACTS

- According to the *Sun*, 98 per cent of the Dutch want a return of the guilder just nine months after axing it. Holland was Europe's biggest supporter of the euro until the introduction of the new currency caused a 44 per cent hike in grocery prices.
- New EU legislation has meant that non-EU chicken processors now have to pay an import tariff of 75% on all chicken that is under 1.9% salt – a level at which it is inedible.
- Proposals published in September would require borrowers to make a new application for all forms of borrowing. This would prevent consumers using one of the key features of a flexible mortgage – the ability to borrow within agreed limits – without having to make a new application. This effectively spells the end of the 'flexi-mortgage'.
- Scientists have discovered that euro coins are more likely to cause allergic reactions than the currencies they replaced. Swiss research has revealed that euro coins release up to 320 times more nickel than is permitted under the European Union's own rules. This leads to eczema and dermatitis for the one in ten people who have some form of allergy to the metal.
- The threat of a 'double dip' in European industry increased this summer as figures showed that the eurozone's industrial output slumped by 0.9% in July, the worst drop seen this year. The ECB also gave a warning that the slide in world stock markets had damaged confidence and put economic recovery at risk.
- The Independent Television Commission has ruled that CNBC broke rules on programme sponsorship by using European Union money to fund a series that examined issues surrounding the launch of the euro. The series, called Eurochange, fell into the category of News and Current Affairs which cannot be sponsored under the ITC code.

Secrecy and Openness in the European Union

The ongoing struggle for freedom of information

by Tony Bunyan,

THIS PROJECT [an analysis of secrecy in the EU published on the internet] looks at the struggle for openness and freedom of information in the European Union over the past decade. It starts with the Code of access to EU documents introduced in December 1993 [Chapter 1] and the first challenges in the courts [Chapters 2 and 4] and to the European Ombudsman [Chapter 3]. Despite their public commitment to openness, EU institutions – especially the Council of the European Union (the 15 EU governments) and the European Commission wanted to control which documents were released and which were not.

AT THE HEART OF THE ISSUE was whether citizens could have access to the documents in the policy-making process before the final decision was adopted. Governments and the Commission wanted to keep under wraps all documents until a new policy was in place – except for selective leaks to ‘friendly’ media outlets.

Civil society groups – journalists, researchers, academics and voluntary groups – argued that a democratic EU had to be based on true openness, that is, full freedom of information. Only then could all sections of society take a view on proposals and put forward their views. Around a number of successful court cases and complaints lodged with the European Ombudsman against the Council a civil society network came into being – journalists, academics and researchers.

When the Amsterdam Treaty was agreed in June 1997 the right of access to documents was written in to Article 255 [Chapter 5]. But we knew from experience that the ‘Dinosaurs’ (as Mr Soderman, the European Ombudsman called them) backing secrecy would try and use a new treaty-based measure to set the clock back.

Our fears were compounded when the European Commission who were responsible for drafting the initial proposal failed to publish a ‘Green Paper’ (to launch a public discussion) as is the normal practice – though *Statewatch* was leaked, and published, two unpublished drafts. When the

Commission proposal for a new Regulation appeared in January 2000 it reflected the in-built secrecy of their existing practice.

As if things were not bad enough, just as all the Brussels institutions went on their summer vacation Mr Solana, the Secretary-General of the Council steamrolled through major changes to the existing code to meet NATO demands for secrecy – by written procedure, the least democratic policy-making instrument available to the EU [Chapter 6].

WHEN the European Parliament finally got down to discussing the Commission’s proposal in the autumn of 2000 their first reading report was by common consensus a ‘mess’ and the first drafts of the Council’s position was no better. At the turn of the year there were three quite different drafts on the table from the three Brussels institutions. None of these positions met the standard that the new Regulation should build on the existing code, including all the improvements brought about by civil society challenges in the courts and to the Ombudsman, and truly ‘enshrine’ the right of access to documents in EU law as the Amsterdam Treaty promised [Chapter 7].

Instead of sorting out these differences in public, the institutions set up a series of secret ‘trilogue’ meetings which made slow progress. So in February 2001 the civil society network called a meeting in Brussels with the three institutions in the European Parliament and told them that none of the drafts were acceptable and that the Commission should be asked to come up with a new draft proposal.

The ‘trilogue’ meetings were a public relations disaster for the institutions as most of the discussions were leaked to *Statewatch*. The Presidency of the Council lost patience in April and cobbled together a typical Brussels ‘compromise’ in which the politicians and bureaucrats effectively closed ranks and said that ‘this was the best that could be achieved’. With the support of three of the main parties in the European Parliament this ‘compromise’ was then adopted.

In the end, after a four year struggle in

which civil society coalition won all the arguments, some of these were reflected in the new Regulation but many were not.

It has now been in force since December 2001 and new battlegrounds have emerged [Chapter 8]. The current state of play is that more information is now available, especially from the Council of the European Union. But even here there are glaring holes – thousands of documents circulated to meetings are not on their public register of documents and many are only released after people appeal the decision not to release the text of a document. Whether the new regulation has clawed back what the EU rigorously defends as the ‘space to think’ – and what we argue is in reality the ‘space to act’ away from public scrutiny – remains to be seen.

SINCE JUNE 2002 the European Parliament and the European Commission have been obliged to make available public registers too under the new Regulation. Three months on the European Commission register is nowhere near meeting the requirements in the Regulation and only time will tell if it has any intention of opening up the most secretive of the EU institutions.

This project reflects [*Statewatch*’s] belief that:

“Democracy and democratic standards are not static, they are ever changing. While governments and ministers may, or may not, be open and transparent democracy cannot rely on them. Rather it is sustained by lively parliaments and an ever vigilant and critical civil society.”

“The fight for openness, freedom of information, and against secrecy in the EU is a small, but indispensable contribution to the maintenance of democratic standards”

This article is the introductory summary of the full eight chapter work which is available at: www.freedominfo.org/case/eustudy.htm

Tony Bunyan is a journalist and the Editor of Statewatch.

Is There Still a Case for Gold?

by Walter Eltis

LORD REES-MOGG, in his recently published collection,¹ presents what nineteen of the greatest economic writers of the last three centuries wrote about money and gold. It should not be concluded that economics published 250 years ago is irrelevant to our concerns. In 1975 Milton Friedman declared that there were only “two respects” in which monetary economics has “advanced beyond Hume”.² In addition to David Hume’s greatness and originality as a philosopher, he produced the core of monetary economics in three brilliant essays which Rees-Mogg includes in this edition.

With remarkable prescience, twenty years before France’s revolutionary elite replaced gold and silver money with paper Assignats, Hume told the French economist Morellet that, “money must always be made of some materials, which have intrinsic value, otherwise it would be multiplied without end and sink to nothing.”³ The revolutionary Assignats sank to nothing in just seven years. In our own age, in which gold-backed money has again been abandoned, it has taken a little longer for the paper which replaced it to “sink to nothing”, and in Britain and the United States the abandonment of gold has not led to the loss of the paper currency’s entire value. In his ‘General Introduction’, Rees-Mogg points out that sterling lost 98 per cent of its purchasing power in the 70 years which followed Britain’s final departure from the gold standard in 1931. The dollar has lost 90 per cent since Roosevelt devalued the greenback in relation to gold in 1933. But like Robespierre’s Assignats (for the printing press accelerated with the guillotine), other leading currencies, the franc, the Reichsmark and the lira have lost nearly 100 per cent since France, Germany and Italy abandoned gold. Rees-Mogg reminds us that in the 253 years from 1660 to 1913, there was no fall in the purchasing power of Britain’s silver and subsequently gold-based money. In sharp contrast to these several centuries of price stability, the departure from gold has produced 5,000 per cent inflation in just 70 years – an average inflation rate of 5½ per cent per annum.

That outcome was predicted by another great philosopher-economist, John Locke, who contributes 80 of Rees-Mogg’s 950 pages. In 1691 many in government and parliament wished to devalue the pound by

five per cent in relation to silver. Locke declared that if it was beneficial to devalue English money by five per cent this week, “it will be as good” to do the same again “next week”, “And if you please to go on in this beneficial way”, “you may by the same art, bring a penny-weight of silver to be a Crown.”⁴ The seventeenth century Crown was 5 shillings or 60 pence and by reducing the silver content of these coins from 60 pence to a penny, Locke predicted that a willingness to devalue sterling whenever this appeared expedient would produce a cumulative devaluation of more than 98 per cent, precisely what has occurred since Britain’s departure from gold in 1931.

LOCKE AND HUME, who proved so prescient, enriched their understanding of monetary economics in high positions in public life. For two years Hume was the immediate deputy to Britain’s Ambassador in Paris and shortly after that Under-Secretary of State in what has become the Foreign Office. Locke for a time held government offices which paid twenty times more than his Oxford Fellowship. Several in Rees-Mogg’s collection attained similarly high positions in public life which added depth and credibility to their analysis.

DAVID RICARDO, who features prominently, was so successful as a stockbroker that he was able to purchase a seat in the House of Commons (for £4,000 at each election) and seven manors, among them Gatcombe Park, now the home of the Princess Royal. Henry Thornton, a contemporary of Ricardo who receives 160 pages for ‘The Paper Credit of Great Britain’, was a wealthy banker and like Ricardo a member of parliament. More than a century after his death Professor Sir Denis Robertson of Cambridge University (who is prominent in Rees-Mogg’s collection) paid him the supreme complement of declaring, “Thornton, he knew everything.”⁵

Why should we still study what our greatest predecessors wrote about metal-based money? Although the departure from gold and silver based money has proved an inflationary catastrophe in much of the world, no one now proposes to return to gold. Indexed bonds are just as inflation proof and they pay 2 per cent interest in addition. Businesses have mainly learnt to

live with the 5½ per cent inflation which preceded the rediscovery of independent central banks. A hundred and eighty years before Gordon Brown gave the Bank of England operational independence, Ricardo wrote several pamphlets from Gatcombe Park in which he explained why bank directors should be appointed for long periods and be entirely independent of government, if there was to be any prospect of a stable currency. In monetary economics, the simplest truths are repeatedly discovered. We now believe that independent central banks can cut inflation to 2 per cent or less, so the 5½ per cent average inflation rate which followed the abandonment of gold will be improved upon.

How independent central banks may achieve price stability was brilliantly set out by another member of Rees-Mogg’s cast, the great Swedish economist, Knut Wicksell. Writing in 1898, he explained how easily central banks could achieve price stability in credit based economies, which should be their sole objective. They merely needed to follow a naively simple process of trial and error:

*“So long as prices remain unaltered the banks’ rate of interest is to remain unaltered. If prices rise, the rate of interest is to be raised; and if prices fall, the rate of interest is to be lowered; and the rate of interest is henceforth to be maintained at its new level until a further movement of prices calls for a further change in one direction or the other.”*⁶

That describes how central banks nowadays operate, except that they mainly seek to correct the inflation rate they anticipate instead of, as Wicksell recommended, waiting until inflation is actually occurring. By raising interest rates whenever they judge that inflation will exceed their targets, and lowering rates when prices seem likely to fall short, they aim to achieve near price stability. Gold comes nowhere in this process, so does our new combination of Ricardo’s independent central banks, and Wicksell’s advice on the operational rules they should follow offer us price stability without a need for gold?

IN THE SEVENTY YEARS since the world’s leading economies abandoned gold, inflation control in most has been entrusted

to independent central bankers for less than a decade. Will they be allowed to remain independent when the world suffers its next burst of inflation? From time to time there are adverse supply-side shocks due to sharp rises in commodity prices or else military conflict which interrupts commerce. In such crises, which the world avoided in the 1990s (in which Roger Bootle was able to declare 'The Death of Inflation'⁷), Wicksell's banks will be required to raise interest rates as soon as prices begin to rise. These higher rates will then produce growing unemployment.

In the world's next supply-side shock, will our 'independent' bankers (who are in continual personal contact with the governments who appoint them) truly raise interest rates sufficiently to prevent inflation from accelerating? Interest rates rose automatically whenever inflation tried to take off in the gold standard centuries

which produced price stability. In today's world in which Keynes is no more dead than inflation (Rees-Mogg has strangely failed to include anything of his) will our government appointed central bankers decide in the manner that Locke condemned that it will be more convenient to allow the value of money to fall than to raise interest rates sufficiently to contain inflation? In this opening decade of central bank independence, bankers have not had to face that awkward choice. If, after the next shocks, they seek an easy way out, prices will leap upwards, and they will do so every time bankers or their sponsoring governments blink.

THE CASE FOR GOLD will remain dead while we continue to believe that independent banks can do equally well, but they have so far had an easy ride. When the real difficulties return, as they surely will,

some of Rees-Mogg's cast, or alternatively Keynes, who wrote brilliantly both in favour of gold and against it – which may be why he is omitted from this Pantheon – may again have the insights the world will require.

- 1 *The Case for Gold*, presented and edited by William Rees-Mogg, London, Pickering & Chatto, 3 volumes, £295.
- 2 *American Economic Review*, May 1975, p.177
- 3 *The Letters of David Hume* (Oxford, 1932), vol I, p.204.
- 4 Locke, *Consequences of the Lowering of Interest, and Raising the Value of Money* (London, 1691). Reproduced in Vol. I, (pp.19–99).
- 5 J.R. Hicks, *Critical Essays in Monetary Theory* (Oxford, 1967), p.187.
- 6 Wicksell, *Interest and Prices* (London, 1936), p.189.
- 7 Bootle, *The Death of Inflation* (London, 1996).

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EU Rubber Stamps Work in Progress

Informal EU Justice and Home Affairs Council, 13-14 September 2002

by *Statewatch*

Introduction

EU Justice and Home Affairs ministers meeting informally in Copenhagen were joined by US Attorney General John Ashcroft. The Danish presidency reports that progress was made on a number of issues, though closer inspection of the matters discussed suggests that most of the Council conclusions merely acknowledge work already underway. There were, however, new pledges to fast-track proposals to create joint EU-US investigative teams, send refugees back to Afghanistan and introduce 'anti-drugs' clauses into EU aid and trade agreements.

EU-US Cooperation on Terrorism: Council Conclusions

[Conclusions are in italics, *Statewatch* comments in normal type face]

1 *An agreement between the European Police Unit, Europol, and the United States providing for the exchange of personal data should be concluded before the end of the year.*

This agreement was already scheduled for the end of the year and follows an 'interim' Europol-USA cooperation agreement – excluding the exchange of personal data –

that was signed in December 2001. The Europol data protection supervisory body (which was not properly consulted on the agreement in accordance with the Europol Convention) has argued that there is no legal basis for such an agreement in the Convention which only contains provisions for 'full' cooperation agreements. The EU has not yet been able to enter into such an agreement because of the absence of a relevant data protection regime at the federal level in the US. Instead, "*the exceptional transmission of personal data without an agreement*" has been taking place all year. It should also be pointed out that unlike previous Europol-third state cooperation agreements, the draft text of the Treaty and data protection report to the supervisory body have not been made available to the public or even listed on the Council's register of EU documents.

2 *The European Prosecution Unit, Eurojust, and the relevant US authorities should as a matter of priority consider starting up negotiations on similar co-operation agreements.*

Eurojust's data protection supervisory body has not yet been set-up so the agency can not yet exchange data or enter into agreements with third-states or agencies to do so. However, Eurojust representatives

have held regular meetings with their US counterparts since the 11 September attacks.

3 *Substantial progress in the negotiations on an agreement between the European Union and the United States on extradition and mutual legal assistance should be achieved before the end of 2002 in order for the negotiations to be finalised as soon as possible. Apart from ensuring the application of swift and efficient extradition rules the agreement should address new types of mutual legal assistance, such as interrogation by means of video conferences. Fundamental legal principles will of course be observed.*

Negotiations on mutual legal assistance treaties between the EU and US are being conducted in secret and despite widespread concern for democratic standards this process looks set to continue (see documentation below). US Attorney-General Ashcroft is quoted as stating "*any final deal would be made public to EU citizens*", which suggests that the negotiations will continue without public scrutiny or a role for national or the European parliaments until a deal is reached. Before the meeting, Danish minister of justice Lene Espersen told reporters that "*no EU country will extradite suspects to the United States*" if they risk capital punishment, though earlier

discussions exposed by *Statewatch* suggest that some EU member states may be willing to become accomplices to the death penalty by supplying witnesses and evidence for such trials.

4 *The European Union and the United States will continue their close dialogue concerning the negotiations within the UN on a comprehensive convention on international terrorism.*

The US has been promoting a UN Convention on terrorism since the attacks.

5 *A swift and efficient exchange of operational information on terrorist activities must be ensured as part of the bilateral co-operation between law enforcement authorities in the United States and within the European Union. European and US law enforcement experts should meet on a regular basis in order to share information on threat assessments in relation to terrorism. The co-operation between the European Union and the United States in the field of common features of terrorists as a preventive measure should be developed as soon as possible. The aim should be regularly to share strategic information between law enforcement authorities on common features of terrorists. In order to strengthen and intensify the operational co-operation between European and US law enforcement authorities, regular meetings should be held between representatives of relevant competent authorities involved in the practical and operative co-operation between the Member States of the European Union and the United States. As a first step, US experts will be invited to attend the meeting of the European Judicial Network, which takes place in Aarhus in Denmark, in December. The European Union and the United States will on a regular basis exchange relevant information on law enforcement strategies against terrorism, which have been developed, and on their implementation.*

Information is already being exchanged and regular meetings between EU and US law enforcement agencies and policy-makers have been taking place throughout the year. By no means can US attendance of the EJM meeting in December be seen to represent a 'first step'.

6 *The United States and the Member States of the European Union will examine the possibilities of setting up as quickly as possible specific joint investigative teams, especially with a view to investigate financing of terrorism, e.g. by drug trafficking, with the participation of law enforcement officers from the United States*

and one or more Member States of the European Union. The examination will be carried out within the framework of the strategic co-operation between Europol and the United States.

Joint investigation teams, which would see US agents working in the EU member states, are part of the discussions on EU-US mutual legal assistance treaties. As yet there has been no mention of rules governing the civil or criminal liability of team members or to legal rules on their operations. The Council conclusions call for the joint teams to be created "as quickly as possible" – suggesting that they would pre-empt the future treaties and exacerbate concerns about judicial and political accountability. Under EU rules on joint investigation teams which are due to enter into force by the end of the year, US agents could participate with the consent of the member states in which the operations are taking place. EU-US negotiations suggest that future judicial co-operation agreements will not be limited to terrorism but will concern crime in general. Proposing joint teams to investigate drug-trafficking may reflect this, especially since no evidence has been produced to suggest that the attacks in America were financed in this way. Conversely, the widely reported increase in heroin production in Afghanistan appears instead to be in the hands of the 'warlords' that supported America's war against the Taliban.

7 *The European Union and the United States should systematically share information on security measures introduced in order to prevent terrorism, especially in relation to border control, and on law enforcement initiatives as well as investigation techniques relevant for the fight against terrorism.*

Again, such co-operation – which includes advanced discussions on border controls, immigration and asylum policy and cooperation in criminal matters – has been developing rapidly over the past year.

EU Expulsion Policy

The EU Justice Ministers in Copenhagen also gave public backing to plans to forcibly expel illegal refugees and immigrants. The Commission will present detailed proposals for financing both voluntary repatriation and forced expulsion of unwanted immigrants and it was agreed that around 100,000 Afghan refugees should be sent home as soon as possible as the first test of its repatriation policy. A common list of 'safe third countries' that the member states will

refuse asylum applications from is also to be drawn-up. *EUobserver.com* reports:

"The debate on a stricter EU immigration policy received new momentum with the change of government in the Netherlands. If the old government was well-known for their foreigner-friendly policy, then the new centre-right government is pursuing a far more restrictive course. Hilbrand Nawijn, the new minister for foreigner affairs, announced in Copenhagen: 'We look at what happens in Denmark and Germany and we want the same.'"

These developments follow an ambitious work programme of the European Commission and EU Council, in which the normal consultation process has been abandoned in favour of fast-track decision-making. Civil society and parliamentarians have had very little input and it now appears that the 'balanced' approach to immigration and asylum policy heralded at the Tampere summit in 1999 is long gone, with the events of 11 September both directly and indirectly encouraging a decisive shift toward a policy relying on coercion, expulsion, and control of entry.

Fast-track return of Afghan refugees had also been discussed prior to the weekend's meeting and Ruud Lubbers, UN High Commissioner for Refugees, has warned that some areas of Afghanistan remain unsafe. The Council also stated its intention to agree the proposed EC Directive on definition and content of refugee status by the end of the year, six months ahead of the deadline set at the European summit in Seville in June. Agreement on these rules appears necessary since the qualification of refugees is closely related to expulsion procedures where asylum applications are rejected. However, the deadline for agreement on the proposed EC Directive on asylum procedures has not yet been brought forward from December 2003. A proposal to charter planes for deportations from multiple EU states was also discussed at the meeting. Quickly dubbed 'deportation class' by critics of EU immigration policy, the planes would be used for both 'voluntary repatriations' and forced expulsions, though the distinction between the two was blurred by French immigration minister Nicolas Sarkozy, quoted in *le Figaro* newspaper: "You need to be able to use force to convince people to go voluntarily."

See www.statewatch.org for further details of publications, subscriptions and support.

LETTERS TO THE EDITOR

Dr Tannock misquotes

from Mr John Laughland

Dear Sir,

How interesting that Charles Tannock MEP should quote the Beneš decrees in German in his letter to you in the June/July issue. When he drew attention to the 1946 law exonerating acts of retaliation committed against the Nazi occupier, he used the German word "*Vergeltung*," instead of the Czech original "*odplata*". Surely even Dr Tannock must know that the Beneš decrees were written in Czech, since the whole point of them was to get rid of the Nazi-German tyranny, and to re-establish national democratic control over the territory of the Czechoslovak state. Why would the Czechs formulate such laws in the language of their oppressor?

Dr Tannock's use of German is far more than a slip of the pen. It underlines how his anti-Czech and pro-German stance on the Beneš decrees is based entirely on the Sudeten German propaganda which has been fed to him by his German and Austrian friends in the European People's Party. Apart from anything else, this shows

how corrosive of Tory principles is the Conservatives' continued membership of the EPP: by voting with the Germans against the Czechs, the Tory MEPs have identified themselves with the heritage of Neville Chamberlain – who handed Czechoslovakia over to Hitler in 1938 – and against that of Winston Churchill.

The decree to which Dr Tannock refers is indeed one which the Sudeten Germans want to repeal. They evidently nurse their grudges lovingly. No doubt they, along with Dr Tannock, would like to see the Czech patriot assassins of Deputy Reichs-Protector Dr Reinhard Heydrich – if they had lived – now hauled before a European court and charged with terrorism.

Yours faithfully,
John Laughland, London

Do worry about the euro

from Mr R.H. Biddulph

Dear Sir,

In the June/July issue I read an article by Martin Essex in which he said we should not worry about the euro. He is quite wrong

and partially destroys his own argument by saying "*Foreign investors are keen to invest in the UK and much nonsense is talked about how the Japanese would pull out if we didn't join the euro.*" One reason (and probably the main one) is our tax regime which we would lose if we joined. Comparison with the USA or the regions of the UK are specious because the countries of the EU are far more disparate than either of these.

Added to that we have the overt proposition from Schröder, Prodi and others that joining the euro is the first step to a federal Europe and, of course, it is irrevocable

We should get out of the EU altogether; it is riddled with corruption and fraud. On the latter, when the EC appointed accountant, Marta Anderson, attempted to do her job and investigate, she was 'sat upon' by the British Commissioner, Neil Kinnock whose mission is also to reduce fraud! Other advantages would be that we would regain control over our agriculture and our fisheries. I don't see us losing any trade with the EU provided our products are up to scratch.

Yours faithfully,
R.H. Biddulph, Surbiton, Surrey

... news in brief

Brussels proposes a solution for Kaliningrad

Brussels has suggested that the inhabitants of the Russian enclave of Kaliningrad be given a *laissez-passer* to cross what will be EU territory when Poland and Lithuania joins the EU, on their trips back to Russia proper. This means they will not have to buy expensive EU visas to go from one part of Russia to another by land. Moscow has given a provisional welcome to this initiative, while continuing to claim that the positions of Russia and the EU remain quite distant from one another. Kaliningrad has been a fly in the ointment for over a year now. Currently, the inhabitants of the enclave are allowed to cross Poland and Lithuania without visas. There are about 9 million border crossings a year, for which they simply need their identity cards. An earlier suggestion by Russia that a corridor be given was rejected by the EU. Now plans are under study to build a high-speed rail link – high-speed so that people cannot jump off the train and thereby enter 'the Schengen space'. [*Le Monde*, 20th September 2002]

German economy still in the doldrums

One of Germany's leading economics institutes has reported that business confidence has worsened for the fourth month in succession. The Ifo Institute in Munich says that the worsening climate is partly due to the expectation that there will be a new war against Iraq and that this will lead to an increase in the price of oil. The row with America has also worried German exporters that they will be able to export less across the Atlantic. On the other hand, the institute says that it is not expecting an actual recession. The institute's director called on the European Central Bank to cut interest rates. [*Handelsblatt*, 25th September 2002]

West admits interfering in Slovakia

The general election held in Slovakia on 22nd September witnessed unprecedented interference by the European Union and the United States of America in the electoral process. Both made very clear that if the Slovaks voted for the former prime minister, Vladimir Meciar, then Slovak membership of the EU and NATO would be out of the question. Meciar remains the most popular single politician in Slovakia but he attracts the hostility of all Western politicians, even though he has spent the last few years protesting his support joining the EU and NATO. The *Financial Times* quoted a Western diplomat in Bratislava saying, "*Yes, we have interfered in the internal affairs of Slovakia. We have done so successfully.*" Although Meciar's HZDS emerged with the largest number of votes, all other parties – including those formed by people who left his party to set up their own – announced in advance that they would not form a coalition with him. In 2002, therefore, as in 1998, the party with the largest number of votes is prevented from forming the government. The Commissar with special responsibility for the EU's *Drang nach Osten*, Günter Verheugen, made it clear that Europe had the right to decide which parties could win the election when he said, "*For Europeans and other observers, it is important that no one is interested in forming a coalition with HZDS and the unreformed Communists, and the rest are part of a democratic process.*" Prior to the election, Verheugen had told the Slovaks not to vote for the HZDS. [*Radio Free Europe Newline*, 24th September 2002; see also Robert Anderson and Stefan Wagstyl in *Financial Times*, 17th September; and *British Helsinki Human Rights Group news bulletin*, 19th September 2002, www.oscewatch.org/LatestNews.asp?ArticleID=7]

Lessons From America's Making

by Professor Anthony Flew

IN HIS *History of the American People* Paul Johnson argued that “*The making of the United States Constitution ought to be a model to all states seeking to set up a federal system, or changing the form of government of beginning nationhood from nothing.*” Then, after noting that all the five federations established during the twentieth century had collapsed by that century's end, Johnson proceeded to remark that “*The federal structure of the European Union is likewise being set with no attempt to scrutinize and digest the highly successful American precedent, and attempts to persuade the European constitution-makers to look at the events of the 1780s are contemptuously dismissed.*”

Johnson, by quoting a remark made by Jacques Delors as President of the European Commission, provided an altogether typical example of such contemptuous dismissal: “*We Europeans have our own rich history to study, thank you.*” The history of France, his own nation, has indeed been peculiarly rich in constitutions. For since 1789, the year of both the great French Revolution and of the effective ratification of the US Constitution, the French nation has been ruled under two different imperial and five different republican constitutions!

THE LESSONS which are to be learnt from a study of the creation of the Constitution of the United States of America are most emphatically not lessons which either Jacques Delors, or any of the other would-be or actual constructors of the presently intended centralized, pan-European, EU superstate, are eager or even willing to learn. Indeed there is every reason to believe that those senior members of the Conservative Party who assured Iain Duncan Smith that they were not federalists were speaking the truth. For had not former Chancellor Kohl himself insisted that the aim was to produce not a federation of European nation states but indeed “*one country: Europe?*”

The united states which established the United States of America were of course the thirteen revolted British colonies. All of them had been recognized as independent sovereign states under the peace treaty which ratified their victory in their war of independence. The prefatory paragraph of the Constitution of the United States of America reads:

We the People of the United States, in order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defence, promote the general welfare, secure the Blessings of Liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

THE FIRST THING TO EMPHASISE HERE IS that this was intended to be the constitution of a union of fully sovereign states in which the central government would have all but only the minimum powers needed to achieve certain limited but essential purposes.

It was, that is to say, intended to produce a government which would establish and maintain internal law and order, which would establish and maintain an army and navy for defence against external dangers, and which would also introduce some unspecified measures to promote the general welfare. That emphasis here upon the word ‘general’ is essential. For whenever throughout the nineteenth century it was proposed that the Congress should authorize a charitable gift of taxpayers’ money to some particularly deserving cause the likes of Congressman David Crockett would ask to be directed to the Clause in the Constitution which licensed the Congress to authorize such donations. The direction thus requested was, of course, never received.

The last thing which the drafters of the future Constitution of the future United States of Europe are going to produce is a constitution for the limited central government of a union of generally self-governing states. On the contrary, they have from the beginning to take as given – as most of them are apparently only too delighted to do – the entire *acquis communautaire*. This is an already enormous but apparently still substantially growing system of many tens of thousands of pages of unamendable and unrepeatable laws and regulations intruding into and restricting almost if not quite every sphere of human life.

For instance: since the offenders have been refused leave to appeal to the House of Lords, the Brussels dictated UK law which has made it a criminal offence to sell fruit by the pound rather than by the kilo can be repealed, if at all, only by first repealing the

European Communities Act 1972, the Act by which the United Kingdom acceded to the Treaty of Rome.

In being intended to produce a system of imperatively necessary but strictly limited government the Constitution of the United States of America was itself designed, as its prefatory paragraph states, “*to secure the Blessing of Liberty to ourselves and our Posterity.*” To appreciate exactly what the framers of that Constitution had in mind in speaking of the Blessing of Liberty we have to go back to their Declaration of Independence. The crucial sentences were:

We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness – That to secure these Rights, Governments are instituted among Men, deriving their just powers from the Consent of the Governed, that when any Form of Government becomes destructive of these Ends, it is the Right of the People to alter or abolish it, and to institute new Government, laying its Foundations on such Principles, and organizing its Powers in such Form, as to them shall seem most likely to effect their Safety and Happiness.

It is important here to realize that the “young Mr Jefferson” (the future President Jefferson), who was given the job of drafting the Declaration of Independence thanks to his famously possessing “*a peculiar felicity of expression*”, also possessed another and much more important qualification for performing that task. This was that he had studied and learnt from, above all, the second of John Locke’s *Two Treatises of Government*, ‘An Essay concerning the True Original, Extent, and End of Civil Government’.

That volume was first published in 1690, almost a century before the adoption of the US Constitution. Although appearing first only after the Glorious Revolution, which established a new British constitutional settlement under the Dutch born Protestant King William, it was largely written earlier and in a period in which Locke himself was involved in assisting his patient and patron the first Earl of Shaftesbury in the struggles which eventually achieved that new constitutional settlement for the British Isles.

All this is a part, and an extremely important part, of the rich history of Europe.

For it was this fortunate constitutional settlement which made possible, but of course by no means inevitable, the subsequent explosion of British wealth and power without which Britain could not have played in later centuries the part which it did play in frustrating earlier attempts first by France alone and later by Germany alone, to dominate the entire European continent. But although British history is certainly an extremely important part of European history it is precisely not a part which has made our country a suitable signatory of the Treaty of Rome. This unsuitability was clearly and sympathetically appreciated by President Charles de Gaulle when in 1963 he gave his reasons for vetoing the admission of the UK into what was then by leading politicians in the UK deceitfully described as nothing more than an European Economic Community:

England, in effect is insular. She is maritime. She is linked through her trade, her markets, her supply lines to the most distant countries. She pursues essentially industrial and commercial activities and only slightly agricultural ones. She has, in all her doings, very marked and very original habits and traditions. In short England's nature, England's structure, England's very situation differs very profoundly from those of the Continentals.

In his *Second Treatise of Civil Government* Locke argued that the rights of man, which were nearly a century later to be proclaimed in the *American Declaration of Independence*, are derived from the essential nature of human beings as such. He then proceeded, having disposed in his *First Treatise* of the Divine Right of Kings, to derive from the same premises the conclusion that government is legitimized only by the consent of the governed.

The first, and crucially important, distinction which is needed here is that between welfare rights and option rights. The rights of the *Declaration of Independence* were all option rights, rights to make your own choices between the various options which were from time to time open to you, providing always that your choices do not violate the corresponding rights of other people.

Thus that Declaration did not proclaim rights to health, education and welfare – and whatever else might be thought necessary to the achievement of happiness – but rights to life, liberty, and the pursuit of happiness; it being up to every individual human being whether he or she chooses to

pursue (and to the gods whether, if so, they capture) that prey.

Welfare rights, however, such as most of the rights listed in the Universal Declaration of Human Rights proclaimed in 1948 by the General Assembly of the United Nations, are rights to the provision of some perceived good, presumably by the state and hence necessarily at the expense of persons other than the entitled beneficiaries. Thus from Article 25 of that Declaration we learn that “*everyone has the right to a standard of living adequate for the health and well being of himself and of his family ... and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.*”

Although it is doubtful whether many of the governments of the world's long established democratic states have been directly influenced by this particular Universal Declaration they all – including of course both the United States of today and all the fifteen present members of the EU – recognize a greater or lesser abundance of such welfare entitlements – entitlements provided by the state at the expense of its taxpayers. Consider for instance the entitlements of (British) European citizens (formerly subjects of the Queen) to treatment by the National Health Service for the restoration of their health and to the services of the maintained school system for the education of their children.

Whatever may be said for or against state action to realize such welfare rights it is obvious that such action cannot but require further taxation and thus reduce the freedom of individual citizens to spend their money as they themselves would have chosen to spend it.

The US Constitution contains no clause clearly conceding a right of secession to any of the constituent states. But that unstated right, emphatically rejected by President Lincoln in launching his war “*to save the Union*”, was surely considered by most of the citizens of the Confederate States of America to be implicit in the statement in the Declaration of Independence that “*when any Form of Government becomes destructive ... it is the right of the People to alter or abolish it, and to institute new Government, laying its Foundation on such Principles, and organizing its powers in such Form, as to them shall seem most likely to effect their Safety and Happiness.*”

This understanding of the Constitution was, at the time of the launching of the War

against the UK in 1812 almost universal in all the New England states whose trade was to be disrupted by that war, and secession apparently remained a fairly live issue for some years thereafter. Even as late as 1861 the idea of the legitimacy of secession seems to have been widespread in the Northern states as well as universal in those of the Confederacy.

The most authoritative evidence of the actual intention of those who drafted and adopted the US Constitution is, however, to be found in a statement by James Madison, usually considered the father of the Constitution. He thought that its meaning was to be sought “*not in the opinions or intentions of the body which planned and proposed it, but in those of the state conventions where it received all the authority which it possesses.*” [emphasis added]

That all this has lessons for the makers or would-be makers of the Constitution for the EU superstate presently in course of construction could not be clearer, or to them less welcome. For the makers of the US Constitution were making a constitution for a federation of thirteen sovereign states, but of thirteen sovereign states whose populations all spoke the same language who (or whose ancestors) had all (or almost all) immigrated from the same country and therefore all (or almost all) shared the same cultural traditions.

But of all the fifteen formerly fully sovereign nation states which are presently members of the EU only two, the UK and Ireland, share substantially the same language and substantially the same cultural traditions. None of the next batch of ten formerly fully sovereign would be member states shares a language with any of the existing members. But it is, by the way, worth noting that none of these would be members, including – to the surprised disappointment of France – Romania, has chosen to conduct its accession negotiations in any language other than English.

The first and most important lesson to be drawn here from a study of the Constitution of the United States of America as it was at its beginning is that, if you have got to have an ‘United States of Europe’, then it needs to have a Constitution under which the individual formerly fully sovereign member states retain, or as the case may be regain, as many as possible of the full powers of sovereign self-government.

There are two main reasons for this. The first is that an universally recognized right of secession would effectively prevent the

central government from imposing taxes or other burdens which would have a grossly unfair impact upon the populations of particular member states. What made majorities of so many of the Southern states of the USA want to secede in 1861 after the election of Abraham Lincoln as President was not any sort of threat from him or his Republican party to the all too slowly declining institution of slavery but three closely connected facts of political economy.

The first of these was the fact that Lincoln's Republican party "*had received only thirty one percent of the popular vote, and had no support outside the North.*" The second was the fact "*that Southerners had been adamantly protesting protectional tariffs since 1824. Southerners ended up paying the lion's share of all federal taxes [more than 90 percent of federal tax revenue came from tariffs at that time].*" Third was the fact that at the time of Lincoln's inauguration as President "*The Republican Party had just doubled the rate of federal taxation [the average tariff rate], and Lincoln was saying to Southerners that if they refused to pay this increased rate of tribute, they would face an invasion by a federal army.*"

THERE ARE TWO WAYS in which what is at present the UK might become, without the right to secede from the EU, an exploited victim. The first would be by a move to make the oil resources of the North Sea a 'Common European Resource'. This move is presently at least deferred by the ability and the determination of the Norwegian people to frustrate the longings of their politicians to surrender Norwegian national independence to the EU. The second way in which what is at present the UK might, without the right to secede, become an exploited victim would be by a move to seize some of the finance available to fund pensions in the UK in order to use it to meet some of the enormous unfunded pension liabilities of Germany, France and Italy. All the available UK funding would not go very far to meet these enormous liabilities. But even a little at someone else's expense is a lot better than nothing.

The second main reason for leaving or restoring to all the present and future member states of the EU the maximum number of the powers of a fully sovereign independent state is that this would vastly increase the possibility of political and economic experiment and innovations. And when any of these innovations proved

successful in one state, then it would surely be imitated by other states.

The powers of the central government of the USA today are vastly greater than they were in the eighteenth and nineteenth centuries. The main cause of this increase has been the introduction in 1913 of the Sixteenth (income tax) Amendment. But there has also been, especially since the Roosevelt Presidencies, a considerable amount of Constitutional reinterpretation by the Supreme Court. Yet even today the states retain considerable powers of experiment and innovation. Thus Oregon recently legalized voluntary euthanasia on certain strict conditions while an experimental education voucher scheme was introduced in Wisconsin.

What, however, is of most interest to us is legislation introduced into the Congress a few years ago by Republicans, but supported by then President Clinton against ferocious opposition from very far from classically 'liberal' Democrats, to encourage states to experiment to find ways of reducing the total cost to taxpayers of welfare entitlements. This is and can only be done by finding ways of reducing the total number of person days of entitlement to such welfare provision. That in turn can only be done fairly and properly by finding ways of inducing individuals to do whatever they can: both to avoid becoming entitled to such provision in the first place; and, if and when they have nevertheless become entitled, to do whatever they can to become gainfully employed as soon as possible and thereby to cease to be entitled to such state welfare provision.

Many states seized this opportunity to reform the welfare system within their own jurisdictions and some, above all Wisconsin, provided an example of innovation which should be inspiring to others. For us here the main interest of such reforms lies in the fact that, in so far as states provide a substantial proportion of the total finance for the welfare systems within their own jurisdictions, then the more successful a state's reform of its welfare system is, the less that state will need to raise in tax to pay for it.

There is already some tax competition between the states of the USA. The eleven states which do not, like the other thirty nine, add a few percentage points for themselves on to the federal income tax rate appear in consequence of this lower taxation to attract some measure of incoming working population and incoming invest-

ment. But the idea of tax competition is abhorrent to the Commission in Brussels. It is instead constantly urging the UK Chancellor to 'harmonise' our income and other taxes up to Franco-German levels.

This insistence upon the unacceptability of tax competition and upon the need instead to harmonise upwards, along with the even more emphatic insistence upon the unamendable and unrepealable status of the enormous *acquis communautaire*, will surely ensure that the Constitution eventually imposed upon the EU member states will render entirely impossible the flexibility and innovation which might perhaps give the EU some very slight outside chance of fulfilling its stated ambition of becoming by 2010 the most competitive economy in the world.

EVERY YEAR the World Economic Forum issues its Global Competitiveness Report with its country rankings. Competitiveness is assessed as a composite index of eight factors: Openness, Government, Finance, Infrastructure, Technology, Management, Labour and Institutions. Each factor is calculated from both quantitative and survey data, assigned a weighting and assembled into the final Competitiveness Index.

The data on which each year's report is based are those collected in the year previous to that of the report itself. In 1998 Report, a report based on data for 1997, the year in which the first Blair administration was elected with a firm commitment to implement the Social Chapter. In the Report of 1998 the UK was rated fourth in the whole world. By 1999 the UK had already dropped to the eighth place. Of those eight, five were English speaking countries: the USA and Commonwealth and former Commonwealth members (that one being Hong Kong). The 1999 rankings of the four 'core' EU countries, with the economies of which that of the UK is by the Chancellor supposed to be converging, were as follows (with the rankings for the previous year in brackets: France 23 (22), Germany 25 (24), Spain 26 (25) and Italy 35 (41).

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Who are the Xenophobes?

by John Kissin

ABOUT THIRTY YEARS AGO, pro-marketeters used the term 'Little Englander' to designate their opponents. Maybe it was because they discovered that 'Little Englander' meant the opposite of 'imperialist' that they switched to calling their opponents 'xenophobes' instead. 'Xenophobia' literally means fear of foreigners or strangers. If hostility to Britain's membership of the EU is xenophobia, then so is hostility to Britain's membership of the Brazilian or Indian or, indeed, the American federations.

What is more important, however, is that pro-market propaganda is itself often xenophobic in the sense that it seeks to create or exploit fear of what the other members of the EEC/EC/EU might do to us if we don't join them in the process of European 'integration'. Eight separate examples of this are given below. But first some background.

Speaking in the Reichstag on 19 July 1940, Adolf Hitler said:

*"In this hour I feel it to be my duty before my own conscience to appeal once more to reason and common sense in Great Britain as much as elsewhere. I consider myself in a position to make the appeal, since I am not a vanquished foe begging favours, but the victor, speaking in the name of reason. I can see no reason why this war should go on."*¹

Winston Churchill could. Some two weeks later he drafted a reply to a peace proposal from the King of Sweden, writing that before any proposals could even be considered, *"it would be necessary that effective guarantees by deeds, not words, should be forthcoming from Germany which would ensure the restoration of the free and independent life of Czechoslovakia, Poland, Norway, Denmark, Holland, Belgium, and above all France, as well as the effectual security of Great Britain and the British Empire in a general peace."*²

No such guarantees were forthcoming. As a result, Britain faced the danger of invasion, and suffered protracted bombing and five more years of war, as well as, according to Roy Jenkins, *"the end of its independent existence as a world power of the first order."*³

But after those five years, the independence of Norway, Denmark, Belgium, Holland and France was indeed restored.

That independence naturally implied the

right to join in any form of political or economic union they wished, just as long as in doing so they did not threaten the independence or prosperity of anybody else. If Churchill had actually accepted Hitler's 'peace offer' in 1940 then not one of them could ever have regained its independence. Yet, if we are to believe our own pro-marketeters, some of those countries expressed their gratitude by forming a union which did threaten ours.

ON 13 JULY 1960 a committee of senior civil servants under Sir Frank Lee reported to the Cabinet that: *"If the Six 'succeed' we should be greatly damaged if we are outside... If the Six 'fail' ... there would be great damage to Western interests..."*⁴

If so, not only had the Six recklessly endangered 'Western interests', they had forced us to choose between entry on their terms or the certainty of 'great damage'.

IN NOVEMBER 1962 Roy Jenkins wrote: *"... What happens in Europe is and must be of overwhelming importance to us... If we could not contract out of Europe in 1914 or 1939 is it remotely likely that we could contract out in the future? Therefore arguments about not liking Adenauer or not liking de Gaulle leave me completely cold. The greater one's fears about what might happen in Europe, the greater the reason for going in and playing one's part in preventing undesirable things happening."*⁵

Apparently then, one reason for joining the EEC was that we could then prevent the other members doing things they wanted to do, but which we considered undesirable. No wonder de Gaulle didn't want us in.

IN 1979, David Marquand divided europhiles into two groups: 'integrationists', who wished to take part in the building of a supranational community transcending the nation state; and 'pragmatists', who apparently thought the only safe solution to the 'problem' of a new power bloc was to join it.⁶

Marquand makes it clear that he rejects these "pragmatic" arguments. But as he also says that although *"Mr Heath himself was clearly an integrationist; as was Roy Jenkins..."*⁷ yet *"... membership was recommended to the public, both by the Heath Government of 1971 and 1972, and by*

*the Wilson Government in 1975, almost wholly in pragmatic terms."*⁸ That is to say that neither Mr Heath nor Mr Jenkins believed in the arguments they were using. Both Mr Heath's Government and 'Britain in Europe', of which Mr Jenkins was President, claimed that the Community could harm us if we were outside.

THE HEATH WHITE PAPER, Cmnd 4715, said that if Britain stayed out of the EEC in the 1970s, *"our power to influence the community would steadily diminish, and the communities' power to affect our future would steadily increase,"*⁹ presumably to our detriment.

The 'Britain in Europe' pamphlet, distributed to all households by the government in the 1975 referendum, said:

*"If we came out, the Community would go on taking decisions which affect us vitally – but we should have no say in them."*¹⁰

However, staying in the EEC would protect us against that danger because *"all decisions of any importance must be agreed by every member."*¹¹ But, less than a year later, Lord Gladwyn warned that unless it adopted 'qualified' or 'weighted' majority voting, the Community would collapse, and the West Germans would *"join up with the other Germany if they could,"* and that we would all *"come out of the orbit of the United States and into that of the Soviet Union."*¹²

The Community would collapse, and we would all end up in the Soviet bloc, unless the assurances given during the referendum were dishonoured.

After the collapse – not of the EEC but of the Berlin Wall – no one could use that argument to frighten us any more; but the pro-marketeters lost no time in finding a new menace: a re-united Germany.

EIGHT MONTHS AFTER THE WALL FELL, Timothy Garton Ash wrote an article in the *Spectator* entitled 'The Best Germany We've Got', in which he wrote that Germany was then committed to sharing its sovereignty, and to EMU, *"precisely to prevent the recurrence of ... the German drive to domination ..."*

*"One day, with a different government in Bonn – or, rather, Berlin – the offer might simply no longer be there."*¹³ and the 'German drive to domination' would presumably recur.

IN 1997 Will Hutton wrote: “Euroscepticism neglects the nature of the perennial German dilemma as the linchpin of Europe – strong but not strong enough to accept all the burdens placed on it. It needs a stable international order to its east, which it can never secure without allies to its west. The consequences of this have haunted Germany throughout its history. The resolution it has chosen is European integration, complete with the euro; all other choices are fraught with risk”¹⁴ of a third war of German aggression, presumably.

LAST YEAR, David Clark, ‘Robin Cook’s former adviser’, wrote: “Over time, the eurozone will become, de facto, the real single market...”

“The growing consensus that the European Central Bank needs a strong political counterpart is already manifesting itself in a more assertive Eurogroup ... rendering worthless the assurances Tony Blair secured to preserve the integrity of Ecofin.”¹⁵

Clark probably didn’t know that Brian Griffiths, a lecturer in economics at LSE, had written some thirty years earlier: “... for committed Europeans among the Six a

monetary union is seen as a way of forcing a de facto political union... Because a monetary union necessitates the creation of a set of supranational institutions to decide on both monetary and fiscal policy and on economic policy in general, the advocacy of a common currency is one way of achieving a political union.”¹⁶

What David Clark now describes as a “growing consensus” has in fact been asserted by opponents of EMU – and denied by supporters – at least since 1971.

HERE WE HAVE eight separate passages, spread over 40 years, warning us that our ‘European partners’ would harm us unless we allowed them to determine how we should run our own affairs. Three implicitly threaten us with war. The last explicitly tells us that assurances secured by Tony Blair are worthless (that is the only one of the eight which is likely to be true). All eight were written by British pro-marketeters with the intention of creating, or exploiting fear – fear of what our continental ‘partners’ might do to us. That is, all those authors were either creating or exploiting xenophobia. If xenophobia is a

crime, then our self-styled ‘europhiles’ are guilty of inciting it, regardless of whether the statements quoted are true, or indeed whether their authors thought they are. You cannot expect people to love the bogeyman.

- 1 Churchill, *Their Finest Hour*, London, 1948 p. 217
- 2 op. cit., p. 219
- 3 Jenkins, *What Matters Now*, 1972, p. 75
- 4 Broad, *Labour’s European Dilemmas*, Basingstoke, 1971, p. 37
- 5 Fabian Tract 341, p. 11
- 6 Marquand, *A Parliament for Europe*, London, 1979, p. 7
- 7 Marquand, op. cit., p. 6
- 8 Marquand, op. cit., p. 14
- 9 *The Economist*, 10 July 1971, p. 15
- 10 *Why You Should Vote YES*, p. 4
- 11 loc. cit.
- 12 *The Times*, 6 May 1976, p. 16
- 13 *Spectator*, 21 July 1990, p. 17
- 14 *Observer*, 9 February 1997, p. 26
- 15 *Guardian*, 12 June 2001, p. 18, c. 8
- 16 Griffiths in Evans (ed), *Destiny or Delusion*, London, 1971, pp. 94 f.

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... news in brief

Europe losing ground to America

Europe is falling badly behind in its attempt to become the most dynamic and competitive economic area in the world by 2010. This target was set at the EU summit in Lisbon two years ago. But a report has shown that the EU is lagging behind the USA and several OECD countries. Scandinavian countries, above all Finland, are doing well. But spending on research and de-regulation are very uneven in the EU. Lisbon set an EU goal of 3% growth through to 2010: there is little sign of that being achieved, or of the promised 20 million jobs being created. Growth in the last decade was 2.5% in Europe and this year it was a meagre 1.25%. Germany rates quite highly where spending on research is concerned, but fares badly when liberalisation is factored in. The hope for a dynamic EU now rests on the candidate countries, especially the Czech Republic, Estonia and Hungary. On the other hand, one Commission official says that the growth rate in these countries will itself be reduced once they join the EU because of the new economic burdens their economies will have to bear. [*Handelsblatt*, 17th September 2002]

War “has already begun”

According to the French paper of record, *Le Monde*, the Anglo-American war on Iraq has already started. The paper’s defence correspondent claims that the Americans have stepped up their attacks on Iraq’s air defences within the framework of their policing of the two no-fly zones, so that Iraq will be enfeebled by the time the official invasion gets under way. “For a month,” writes Jacques Isnard, “American and British aircraft have been bombing military sites in the North and the South of Iraq which are fixed or mobile command and communication centres which contribute to the Iraqi defences. This is a war of attrition.” He claims that the Americans are sparing certain sites which, in their view, house Iraqi units that might rebel against Saddam. At the same time, the British and

the Americans are planning to use a base on Qatar as their HQ. British and American troops are also being deployed to Kuwait, Bahrain, Oman, Turkey and Diego Garcia, where B52 bombers are to be based. He claims that there could be as many as 60,000 American soldiers in the Gulf by the middle of October, not counting what will be on the six aircraft carriers in the Gulf by the end of the year. *Le Monde* quotes two English-language aviation and technology journals which claim that satellites costing \$1 bn each are now scrutinising everything which happens in Iraq. A list of targets has already been drawn up. [Jacques Isnard, *Le Monde*, 25th September 2002]

Americans want NATO anti-terrorist force

The USA is pressing NATO to constitute a special unit to combat terrorism, according to a German newspaper report. The new unit is to consist of 21,000 soldiers who would be ready for action at short notice. The USA wants to participate in such a unit but expects the Europeans to provide the bulk of the soldiers. The new unit is to be operational by October 2006. Decisions on when to use it would be taken by the Nato council. [*Handelsblatt*, 24th September 2002]

Despite all the talk of new gaps opening up between the USA and Europe the Americans’ main purpose at the Warsaw meeting has been to get NATO to spend more money on military hardware. Donald Rumsfeld is using the proposal on the Rapid Response Force to test the true readiness of the Europeans. When someone said the Americans were going to put the thumbscrews on the Europeans, a German general remarked, “We Europeans must put the thumbscrews on ourselves. We must set out our priorities and put them credibly into operation.” But can the Europeans stump up the money? The Americans increased their budget by \$48 billion after 11 September 2001: this increase alone is one and half times the French defence budget and twice the German one. [Katja Ridderbusch, *Die Welt*, 24th September 2002]

Advertisement for The Bruges Group

PARIS

A Potted History

The first inhabitants of what is now known as Paris were the Parisii, a Celtic tribe who settled on the Ile-de-la-Cité in the 3rd century BC. The Romans later set up a base on the Montagne Ste-Geneviève. When the Gallo-Romans were ousted by the Franks, late in the 5th century, King Clovis made Paris the capital and the city began to grow.

Paris continued expanding and by the 13th century it was one of the most densely populated cities in Europe. The Hundred Years War and the Black Death slowed the development and there were constant disputes between the nobles and the poor. This resulted in the Jacquerie peasants' revolt in 1358. Unrest continued for the next hundred years and the Parisians tradition of riots became renowned. It took until the early 16th century for Paris to become prosperous once more.

The 17th century saw more rebellions, the most notable of which caused Louis XIV to move the government to Versailles. The French Revolution started in June 1789 with the fall of the Bastille in Paris. A succession of riots and anarchy rapidly overtook the city and Robespierre came to power. In 1792 The Terror began and vast numbers of nobles were beheaded. The King attempted to flee but was captured and guillotined. After Robespierre died Napoleon became emperor and finally restored peace. Paris became a wealthy city again during the Napoleonic wars, which ended in 1812 at the Battle of Waterloo.

There was another period of flux with a number of different rulers and regimes until



Napoleon III founded the Second Empire, which lasted from 1852 – 1870. This was a very successful time for Paris, with mass building and a new infrastructure. Napoleon III's reign came to an end with the Franco-Prussian war, when Bismarck laid siege for four months before the city gave in. One of the most famous sites in Paris today is the Eiffel Tower, which was built for the Universal Exhibition in celebration of the French Revolution centenary.

In the course of the First World War Paris suffered only minor damage but was then faced with a period of economic crisis, combined with political unrest. The German's reoccupied the city in June 1940. They held it until 1944 without causing much damage.

The most recent uprising in Paris was enacted by the students in 1968. It is a city that has been shaped and reshaped by its political upheavals.

The most dominating feature on the Parisian skyline is the Eiffel tower (above). Despite strong opposition it was built in 1889 by Gustave Eiffel for the World Fair. He used technology based on the structure of the human thigh bone to create the strength required to support the structure. Its dominating profile is now a symbol of Paris. There are three different viewing levels that you can reach by either lift or stairs. On the third floor is a porthole revealing Gustave Eiffel's office.

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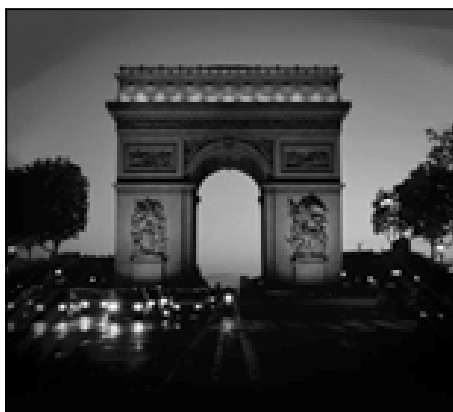
Prices: By lift: €3.70 (1st); €6.90 (2nd); €9.90 (to the 3rd floor)

To walk: €3 (1st & 2nd floors only)

Nearest metro: Bir-Hakeim

Open: Daily 9am to 11pm

Disabled access is possible to the first and second floors but not to the summit.



The Arc de Triomphe de l'Etoile (left) was built as a reminder that the people of Paris beat oppression of the monarchy. It was designed by a group of architects including Joust and Blouet with five sculptors creating the intricate statues that surround the building. Underneath the imposing building is the body of the unknown soldier. A flame that has not been extinguished since it was first lit in 1923 still burns on the grave. It was even lit throughout the German occupation of 1940-1944. The Arc is home to a museum that contains a large number of historic items.

Tel: 01 55 37 73 77

Prices are €7 and €4.50 for concession

Nearest metro: Arc de Triomphe de l'Etoile

Open: Daily from 10am–10.30pm from October to March

Advance booking facilities are not available.

EATING**La Bouchard**

1 rue Cavallotti, 75018 Paris
 Tel – 01 34 22 60 01
 Prices – €15
 Nearest metro – Brouchant
 Style – Good Cheap Food

La Regalade

48 av. Jean-Moulin
 Tel – 01 45 45 68 58
 Prices – Three-courses from €35
 Nearest metro – Alesia
 Style – Reservations advised – service till midnight

Brasserie du Belvedere

Avenue de Villiers, 75017 Paris
 Tel – 01 47 64 96 55
 Prices – €65 p.p. but €50 for lunch
 Nearest metro – Porte de Champerret
 Style – Full range of delicious French Cuisine

GOING OUT**Le Bilboquet**

13, rue Saint-Beniot
 Tel – 01 45 48 81 84
 Nearest metro – Saint-Germain-des-Près
 Style – Jazz Club

Bus Palladium

6, rue Fontaine, 75009 Paris
 Tel – 01 53 21 07 33
 Nearest metro – Blanche
 Style – Disco

Palais Garnier

Place de l'opera, 75009 Paris
 Tel – 08 36 69 78 68 (€0.33 per min)
 Nearest metro – Opera
 Style – Opera National de Paris

SHOPPING**Flea market**

Avenue de la Porte de Clignancourt
 Metro – Porte-de-Clignancourt
 Open – Saturdays, Sundays and Mondays from 0700-1930.
 Brief Description – Provides shoppers with a huge variety of goods both old and new.

Arts and Crafts

Viaduc des Arts, 9-129, Avenue Daumesnil, 75012 Paris
 Tel – 01 44 75 80 66
 Open – 10–6.30 but may vary. Shut Sundays and Mondays.
 Brief description – workshops, galleries and exhibitions
 Metro – Bastille, Gare-de-Lyon.

Fashion and Luxury Goods**District**

Place Vendome, 75001 and the Rue de la Paix, 75002.
 Open – Various times for each shop
 Brief description – Place Vendome remains the Mecca of French Jewellery. You will find Chaumet, Boucheron and Cartier among many others.

LOOKING**Notres-Dames Cathedrale**

Cathedrale Catholique, 75004 Paris
 Open – 0800–1845 Mon–Sat
 Restrictions apply on Sundays due to services
 Prices – Free
 Brief description – Gothic masterpiece built in the 12th and 13th centuries on an island in the Seine

Louvre

Address – 75058, Paris
 Tel – 01 40 20 51 51
 Nearest metro – Palais-Royal-Musee-du-Louvre
 Prices – €7.50, or €5.00 reduced rate.
 Open – 0900–1800, but can vary. See www.louvre.fr
 Brief description – One of the finest collections of Western Art from the Middle Ages to 1848.

Chateau de Versailles

Transport – SNCF or Bus 171
 Tel – 01 30 83 77 88
 Admission – €7.50, or €5.30 reduced rate
 Open – 1200–1800, but often extended. Not Mondays. See www.chateauversailles.fr
 Brief Description – Built during the reign of Louis XIV. Versailles was the largest palace of its time and is still breathtaking.

GETTING THERE**Plane**

Many flights are available. The cheapest we could find was flying with Buzz
 From: Stanstead To: Paris, Charles de Gaulle
 Frequency: 6 times per day
 Cost: from £42 return plus tax
 Duration: 1hour flight
www.buzz.co.uk
 Tel: 0870 240 7070

Train

The only train provider is Eurostar. Its prices vary for advance bookings and deals.
 From: Waterloo International To: Gare du Nord
 Frequency: 6–12 times per day
 Cost: from £110 to £298
 Duration: 3–4 hours
www.eurostar.co.uk
 Tel: 0870 5848 848

Automobile

It is also possible to drive to Dover and take a car ferry.
 From: Folkestone To: Calais
 With: Channel Tunnel
 Frequency: 24 hours, up to 4 departures per hour
 Cost: from £179 if booked more than 7 days in advance
 Duration: 35mins in tunnel, approximately another 3 hours to Paris
www.eurotunnel.com
 Tel: 0870 5353 535

Coach

This is the cheapest fare we could find.
 With: Eurolines
 From: London, Victoria Coach Station
 To: Coach Station, Avenue du General de Gaulle, Bagnolet
 Cost: £33 return can be booked up to 7 days in advance
 Frequency: Five times daily
 Duration: at least 6 hours
www.gobycoach.com
 Tel: 0870 5143 219

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CHUNNEL VISION

Condottieri of the Commission

by Dr Lee Rotherham

A LIFE IN POLITICS can often be a harsh mistress. A great sacrifice made in order to pursue a greater cause; a life of microwaved baked beans, Worzel Gummidge suits, and a flat so cold it handily turns into its own fridge, so you can store your milk curdle-free just by leaving it on any item of furniture. Still, it's good practice for army recruits and potential Beirut kidnap victims. Set against these there are the euroactivists. Those who chase after the chalice of continental integration. And get paid for it.

There is a strange parody of justice involved here. Those who seek more for the system are in receipt of the greatest funds. In sum, the Commission pays lobbyists to campaign on an agenda which it approves, and in turn consults them on what it should be doing.

These mercenary accomplices thus become the justification for ever-closer union. Since these bodies, research papers or institutes are ostensibly independent, the Commission's hands are clean and it is capable of selling the product as an initiative from 'outside'. A classic case in point involves, for instance, the use of a conference to float *corpus juris*, but the practice is far more widespread.

Take, for example, recent activity in the Convention on the Future of Europe. Two sessions centred on this trick. One was the Youth Convention, where the key player was the Youth Forum, a confederation of youth groups comprising *inter alia* the junior wings of the main political groups. It receives 2,000,000 euros a year of Communities subventions (the youth politicians also get more). Prior to the mini-convention kicking off, its component members had a very good stab at fixing the appointment of the key posts. Comically, its appointee for the Chairmanship was too old to be an official Youth so the youngsters had to call in some senior MEPs to hammer out a deal, but the stitch up was so blatant that over a quarter of the delegates signed a motion criticising the manner in which the conference had been run and effectively casting a vote of no confidence in the proceedings.

THE SECOND INSTANCE was a week dedicated to bodies supposedly representing society at large, also called the Forum. By a peculiar coincidence, the participants were predominantly Europhile and/or in receipt of EU financing. Once more, the EU's mercs were in the hot seat. Some, bless them, we even represented multiply, once on their own account and then as part of a consortium of lobbyists. Fortunately, the French and Belgian Press in particular, when this was pointed out to them, agreed that this was (with rare and particular exceptions) nothing more than 'Brussels talking to Brussels'. The hoped-for integrationists' mandate thus evaporated.

The extent to which the practice of auto-location takes place has only really become apparent with the recent publication of a Bruges Group pamphlet on the 'Brussels propaganda machine' (see the review on page 14), the result of considerable hard work and diligence from Martin Ball and Robert Oulds. What has been particularly noticeable is the reaction to it from the usual suspects.

That of the European Movement is the most illuminating. One of its leading figures fired off an (admittedly jovial) missive to *The Times* reproaching the authors for incorrectly fingering his own organisation as a recipient of EU dosh.

ACTUALLY, the booklet doesn't say the UK branch of the EM receives EU moolah. It does point out, however, that its youth section has on at least one occasion received such, for a pro-euro publication. It also says that the EM head office, its international secretariat, most definitely receives a particularly healthy and annual grant each year (300,000 euros p.a. – enough for about 5,000,000 coloured plastic-coated paperclips for the stationary-minded). That's not all. Leaving aside whatever individual campaign grants may have been available over the period, the EM also profits from its contacts with the Brussels hierarchy. For instance, it established a new high-powered front organisation called *Agora*[†] in the run up to the Convention opening its doors to the

lobbyists. Who did it get to address it during a session dedicated on how to lobby the Convention? Jean-Luc Dehaene, the Vice-Chair of the Convention responsible for handling the Forum, and as it were the controller of access to the royal bedchamber.

It was no coincidence that the Copenhagen Lodge of the order formed the ready kernel of the *Ja* campaign in the latest Danish Referendum. Nor is it chance that has established the EM for years as the core for anti-nation state activity in the United Kingdom. The financing and structural arrangements of some of the more recent pro-Euro campaign bodies may be opaque, but it has at least been admitted by insiders that the EM has taken a prime role throughout as a serious sponsor, keeping *Britain in Europe* alive. It's easier if you share offices, of course.

So what we see is a hired bouncer of Brussels.

Perhaps this is harsh. I dare say the majority of people who are committed to the cause of European integration genuinely hold to their beliefs and are convinced it will make the continent a better place. They are entitled to their views. But they are not entitled to our taxes to promote them, and therein lies the difference. For in accepting, directly or through a higher chain of command, subsidies from the European taxpayer, in the expectation that these funds will be used to affect the opinions of those same ratepayers, they become tools in the subversion of democracy.

The Bruges Group booklet lists scores of these sponsored blades. But their lifeline can be severed each year with a simple vote in the European Parliament. Let us hope that that Damoclean blow will fall this Autumn. Let them look on the positive side. A life of tins of lukewarm Heinz does wonders for the soul.

† Greek for "Forum": the Latin name was already taken. Clearly federalists hang around toga parties a lot.

Dr Lee Rotherham is an adviser on European affairs.

THE EUROPEAN FOUNDATION

The *Great College Street Group* was formed in October 1992 in order to oppose the Maastricht Treaty. The group, consisting of academics, businessmen, lawyers and economists, provided comprehensive briefs in the campaign to win the arguments in Parliament and in the country. The European Foundation was created after the

Maastricht debates. Its task has been to mount a vigorous and constructive campaign in the United Kingdom and throughout Europe for the reform of the EC as a community of independent sovereign states. The Foundation continues to establish links with other like-minded institutes across Europe.

Objectives

The objectives of the Foundation, set out in its constitution, are as follows:

- to provide a forum for the development of ideas and policies for the furtherance of commerce and democracy in Europe;
- to increase co-operation between independent sovereign states in the European Community and the promotion of the widening and enlargement of that Community to include all applicant European nations;
- to resist by all lawful democratic means all and any moves tending towards the coming into being of a European federal or unitary state and for the furtherance and/or maintenance of such end;

Activities

The Foundation pursues its objectives by:

- organising meetings and conferences in the UK and in mainland Europe;
- publishing newsletters, periodicals and other material and participating in radio and television broadcasts;
- producing policy papers and briefs;
- monitoring EC developments and the evolution of public opinion and its impact on the political process in the main EC countries;
- liaison with like-minded organisations in other EC and EC applicant countries and elsewhere;
- liaison with trade associations and other professional bodies affected by EC action and policy.

The Foundation

The Foundation addresses itself to the general public and to politicians, journalists, academics, students, economists, lawyers, businessmen, trade associations and the City.

It concerns itself with the following main topics:

- industrial and commercial policy;
- economic and monetary matters;
- foreign policy;
- security and defence;
- environmental issues;
- the Common Agricultural Policy;
- the reform of Community institutions;
- the developing world.

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