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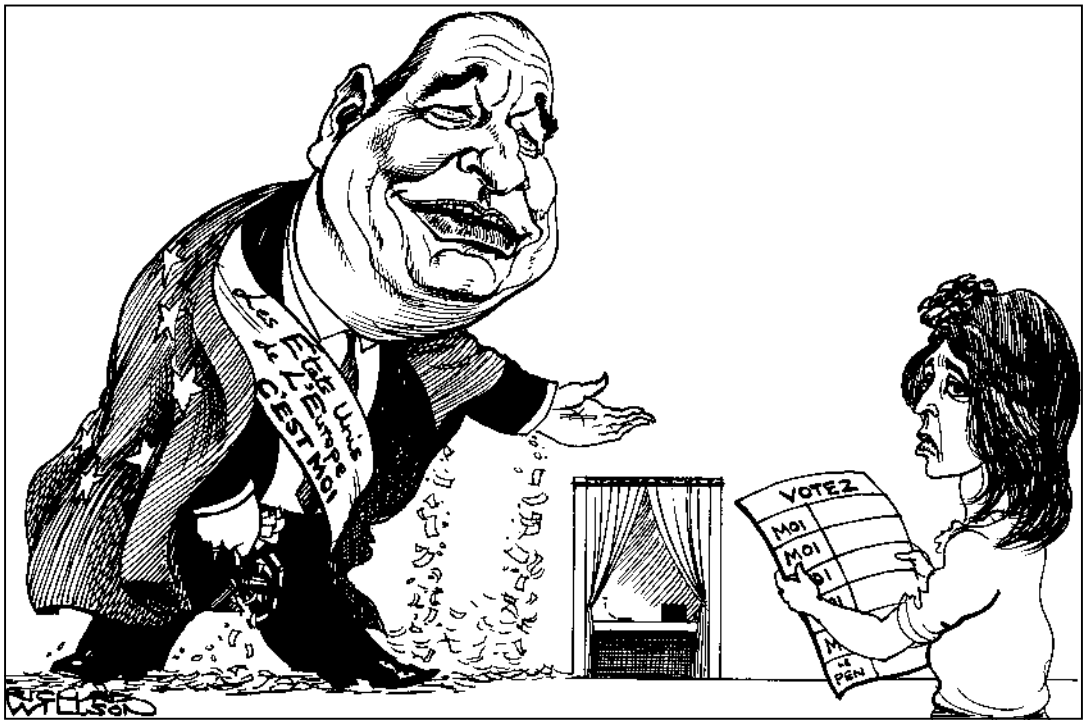

Rt Hon. David Heathcoat Amory, mp
A Crisis of Democracy
&
David Jones • Roger Helmer, mep
Dr Charles Tannock, mep, mrcpsych
Lord Rees-Mogg • Keith Marsden
Dr Brian Burkitt • James Bennett
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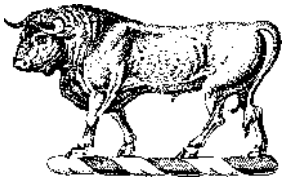

SOLON

The Real Reason for Extremism in Europe

The recent upsurge in popularity of extreme parties across Europe is no surprise. Le Pen and the tragedy of Fortuyn are just symptoms of the society being created by the structure of the European Union. The lack of accountability and democracy is causing the electorate to find ways of opposing which get a reaction. The problems in Europe of unemployment, crime and asylum seekers cannot be treated on their own. They are the visible results of the problems embedded in the EU.

The three main problems are caused by the structure set up to help avoid them. The over-regulation of the EU means that countries are unable to fight their own problems, as they once would have done. Without full budgetary control countries cannot tackle these crises. The initiatives, such as the Growth and Stability Pact, set in stone by the EU for employment mean that companies are unable to employ as many people as they would like. This inevitably causes high rates of unemployment. The rise in crime is a result of the high unemployment and the dissatisfaction of the people.

Then there is asylum. It is a topic that is often left unmentioned as it is seen as being in some way racist to tackle it. All problems need to be dealt with and brushing them under the carpet will not make them go away. The EU border system means that every country is faced with an unreasonably large number of immigrants, some of which are just purely economic migrants. If they are given asylum by one they are then free to travel to all of the others. Chirac is not going to be able to deal with the number of refugees in his country, in the way that his electorate clearly demonstrated they wanted, without having complete border control. A sensible immigration policy is one that increases enterprise but the current system is not working.

"As the neutering, under Maastricht, of national parliaments gathers pace, so the paralysis of the real Europe will give way to the prospect of the collapse of the Rule of Law, compounded by waves of immigration from the east, recession and lawlessness."

The growth rates in continental Europe reflect these problems. The projected growth figures for the next three years in Germany and France are under half of those expected in the UK and a fraction of those figures given for the US. One of the key causes of this is the over-regulation of industry, financial centres and employment law. Companies are less willing to invest in a factory if they think that they will never be able to close it, or lay off a single worker. The huge amounts of red tape in Europe are off-putting to investors but the way in which they are created has another downside. It creates a huge lack of connection between the people and the governments. This is another reason for the protest votes Le Pen received.

It is not as though these problems have not been raised before. As Bill Cash said in 1991: *"As the neutering, under Maastricht, of national parliaments gathers pace, so the paralysis of the real Europe will give way to the prospect of the collapse of the Rule of Law, compounded by waves of immigration from the east, recession and lawlessness."* (*Visions of Europe,* p. 60)

Tony Blair visited Gerhard Schröder on Sunday 12th May and urged citizens of the EU to resist the emergence of right-wing extremism. He said that he and the German President had agreed on *"the need for democratic people of all persuasions to stand together in solidarity against extremist policies"*. He did not, however, suggest either a cause of or solution to this problem. Much of what has been done by the Labour Government has made the position worse.

Just a few days earlier Michael Ancram visited Brussels. He had a more constructive argument to put forward. He said that Europe needed to be made more relevant and that a decision was required on the EU's role in the 21st Century. "*That is why we call today for a fundamental review of the way the EU is currently working.*" He discussed the rise in the popularity of fascism before suggesting that; "*The Treaties, the 'acquis', the directives, should all be open to re-examination to assess their effectiveness and continuing relevance – and open to change if necessary. A genuine review and reform process cannot object to revisiting those elements which appear either not to be working or not working as well as they should. There can be no sacred cows, no no-go areas, no sealed vaults.*" He continued this thought by pointing out the problems caused by the *"alienation"* of voters.

He pointed out that there were other flaws in the current system. *"For instance the Common Foreign and Security Policy. This is a concept that will not work and should be abandoned. The history of the CFSP is already a trail of failures. Rebuff over Israel, inaction over Zimbabwe, division and delay after 11 September, and the inevitable undermining of NATO. All demonstrate the inflexible, unwieldy nature of the CFSP and show that it is simply not practical."*

This speech showed a new direction for the Conservative Party. Asking for reform of the Union has become the best way in which to be pro-Europe; it is also Euro-realist. It is a view being reached by both sides of the European debate. Without change it will burst.

The problem is that since Maastricht there has been a compression chamber building up. The essential ingredients were provided by Maastricht but Nice, Amsterdam and all of the directives and initiatives issued since then have added to it. When Brussels speaks of flexibility it means centralisation. When it speaks of democracy it confers more power on unelected officials.

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When Brussels speaks of flexibility it means centralisation. When it speaks of democracy it confers more power on unelected officials.

The European Convention has been set up and one of its aims is to write a European Constitution. The first thing Europe needs is democracy yet even the Convention is not democratic. With 105 members it has a praesidium of 12. In true EU style the convention did not elect this group. It is carefully packed with integrationists. Of the whole Convention there is only one MEP who is eurosceptic. Whether this band will take any notice of the rise of Le Pen and the tragedy of Fortuyn is still unknown. The Convention has a critical role to play in the continuation of a unified Europe. If it gets it wrong the Union is nearly ready to implode. The problems need to be tackled from the base; the Treaties must renegotiated in order to achieve this.

The European Foundation has always insisted on freedom and democracy and sees the emergence of the extreme right as an extremely regrettable but inevitable symptom of the centre right's failure to resist European government. We have always said: European trade and cooperation, yes; European government, no. We have also always believed that renegotiation of the treaties is the only way out of the explosive impasse which we have predicted since Maastricht and is now at critical mass.

Some of the simplistic analyses of the national media have focussed on what has been going on rather than why. Certainly it is the duty of reporters to report but the responsibility of editorial comment is to discuss the reasons why.

It is not enough to argue about *how* Europe is developing because the treaties are there, for those who can read. We have to ask the deeper question; "*Why* do they want to do it?" The portents are bad. They are also obscured by the ridiculously opaque language of the EU.

Amongst the matters being pressed on the Convention is the issue of legal personality. This would allow it to make a common foreign security policy, as is already the case with trade. This must be firmly rejected.

The whole of this ramshackle structure, with increasing functions but without resources, with a parliament without popular support, is heading for catastrophe.

The whole of this ramshackle structure, with increasing functions but without resources, with a parliament without popular support, is heading for catastrophe and the recent eruptions of extremism are simply evidence that people have nowhere else to go because the establishment, both left and right, have generated a momentum which they refuse to stop or even to contemplate renegotiating. Instead, they promote less democracy and with this guarantee the collapse of their own creation, further stimulating the movement to more authoritarianism as unemployment rises, economic growth falls away, and immigration and unthinking asylum policy cause the stimulation of envies and jealousies. All in all a dangerous cocktail.

Are We Allowed Democratic Choice?

by David Jones

Lying at the mouth of the Bay of St Malo a few miles from the French coast are a group of islands incorrectly called the Channel Isles. The Isles de Normandies, the name by which the group should be known, consists of the islands of Guernsey, Jersey, Alderney and Sark. Guernsey has been my home for over thirty years and I presently serve in the Government as one of forty-seven elected people's deputies.

Although it is a British crown dependency (it is not part of the United Kingdom), Guernsey (eight miles by five) is governed by its own parliament. It has no party political system, its structure being based on individual elected members serving on government committees, such as Advisory & Finance (the senior committee), Home Affairs (police fire department), Housing, Health, Education, etc.. The island is governed by consensus decisions, made within the legislature, on policies brought before the Parliament by the Committee Presidents. There is also a mixture of British and French laws thrown in, which are sent to the Privy Council for approval before becoming law.

Guernsey in recent years has become a prosperous, affluent society. 62% of its income is now derived from financial service industries, with additional revenue from tourism, fishing and agriculture. With a basic 20% tax rate, banks, captive insurance, fund management and trust companies have all been attracted to our shores over the last three decades by a strong stable government, and a business climate created by government policies encouraging growth and prosperity. Guernsey has no unemployment to speak of, although it does have problems filling essential posts – teachers, police officers, nurses etc. – mainly due to the high cost of housing. This is the down side of all buoyant economies.

Our growing and extremely well regulated finance sector has of late been under scrutiny from the envious gaze of the

bureaucrats in Brussels, together with unwelcome advances from the OECD. As Guernsey is not a member of the EU, it has ruffled the feathers of some in the Belgian capital who feel compelled to interfere in the economies of any jurisdiction whether they are members of this bureaucratic nightmare or not. Pressure is currently being applied to the UK government to *"bring us into line"* in order to satisfy EU tax directives on transparency and so called *"harmful tax practices"*.

Guernsey and Jersey have also faced in the last few years the most hostile Labour government we have ever known. The discourtesy shown to our Parliament by Blair's autocratic style, together with the UK treasury (always apparently willing to put it's fingers into somebody else's till), has been breathtaking. This disrespect stretched to the point of sending a UK Treasury Minister to carry out a review of Guernsey's financial regulatory system (The Edwards Report) without any prior consultation with our Treasury or indeed our Advisory & Finance Committee. This unprecedented interference sent alarm bells ringing throughout our Government, not to mention the Islands' business community.

Meanwhile, back in Brussels the EU Finance Ministers burn the midnight oil drafting initiatives of there own, led by the UK Paymaster General, Dawn Primarolo. The code of conduct group is busy preparing to introduce of a withholding tax should we fail to adopt a more conciliatory stance on tax co-operation. The result of all this oil-burning was something called the EU Savings Tax Directive.

In its Communication of 5 November 1997, entitled *"A package to tackle harmful tax competition in the European Union"*, the Commission stressed the need for co-ordinated action at a European level to tackle harmful tax competition in order to achieve certain objectives such as reducing the continuing distortions in the internal market and preventing excessive losses of tax revenue. The ECOFIN Council of 1 December 1997 held a wide-ranging debate on the basis of that communication. It agreed to a Resolution on a code of conduct for business taxation, approved a text on taxation of savings as the basis for a Directive. It also agreed that the Commission should present a proposal for a Directive on interest and royalty payments between companies.

Member states concerned committed themselves to promote the adoption of the same measures in all relevant dependent or associated territories (the Channel Islands & The Isle of Man), once sufficient reassurances with regard to the application of the same measures in dependent or associated territories had been agreed. The Council will decide on the adoption and implementation of the Directive no later than 31 December 2002 and will do so unanimously.

Often referred to as the "OECD on steroids" the Savings Tax Directive is a sweeping assault on privacy, sovereignty and competition.

Often referred to as the *"OECD on steroids"* the Savings Tax Directive is a sweeping assault on privacy, sovereignty and competition. This directive will ride roughshod over civil liberties and the due process of legal protection. It will also drive business out of well-regulated areas to jurisdictions with a less hostile attitude to wealth creators.

In the past the Islands Government has received rewards from the US Treasury for our co-operation concerning criminal transactions, without infringing the rights of genuine investors. Exchange of information has always taken place in such cases, ours being a well-regulated offshore centre. Guernsey has always co-operated wherever possible with law enforcement agencies on such matters and will continue to do so.

Our Parliament has passed into law several robust pieces of legislation designed to eliminate money laundering, together with the eradication of accounts from suspect sources. It is not business we either want or encourage. Recently, for example, we instructed Guernsey's Financial Services Commission to trace any funds belonging to terrorist groups following the events of 11th September 2001.

As for the Organisation for Economic Co-operation and Development, the word co-operation is in reality code for an end to banking confidentiality or, as they term it, *"more transparency"*. In truth this so-called transparency agreement is designed to obtain information that will turn us into tax collectors for member countries, by threatening to impose *"punitive sanctions"* against any jurisdiction that fails to capitulate to their demands.

I can tell them now: Guernsey has absolutely no intention of allowing fishing expeditions into personal or business accounts by anybody.

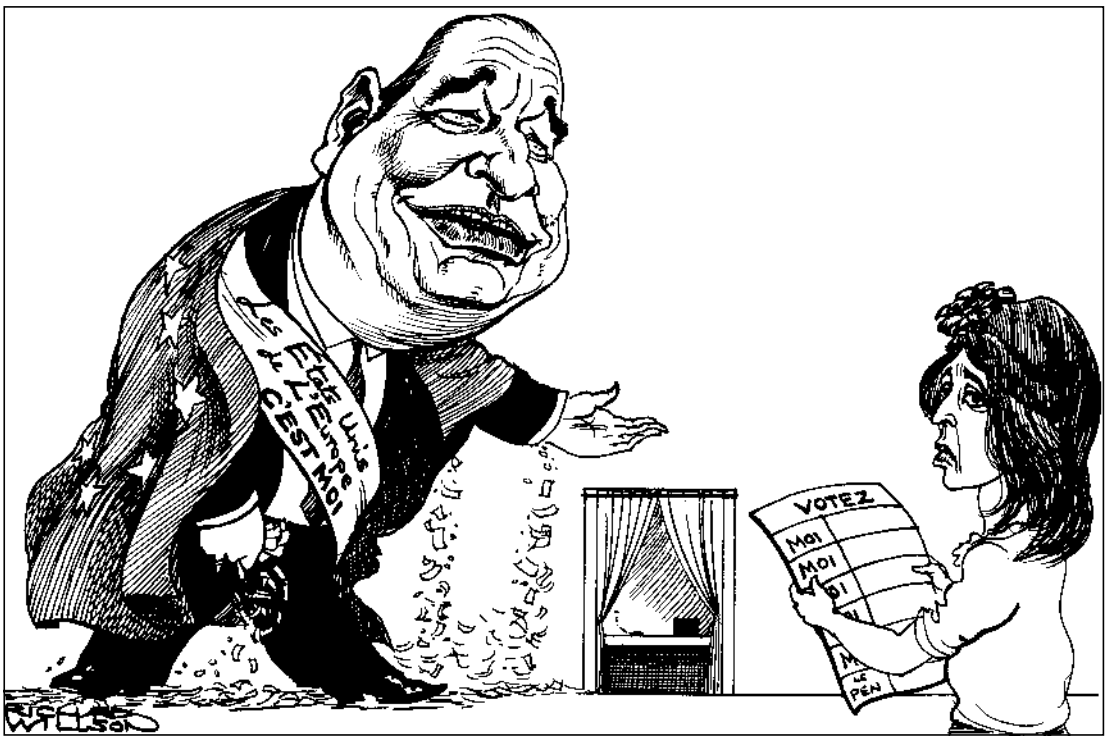
I can tell them now: Guernsey has absolutely no intention of allowing fishing expeditions into personal or business accounts by anybody, in order to satisfy this demand. We have made it clear to the OECD that we will keep dialogue open, at present at least two of their Member States have not yet signed to their own transparency agreement, so it is particularly galling to be threatened in this manner.

The end game of the OECD and that of the EU is clear. One report from the OECD actually calls for the *elimination* of, and I quote, *"preferential tax regimes"*. A cartel of high tax nations can only operate effectively if they can prevent consumer choice; that is how cartels work. They have to arrest the flow of currency from their grasp into jurisdictions such as Guernsey and Jersey who offer choice, confidentiality and a flexible tax climate. While we will not be bullied into any agreements that effect our well being, we are always prepared to discuss mutual interests. Taxation policies must always be the prerogative of elected governments, not dictates from faceless bureaucrats, whoever they work for.

Deputy David Jones is a Member of the States of Guernsey, and serves on the Constitutional & Procedures Committee, Housing Authority, Civil Defence Committee, Public Assistance Authority and Population Working Party.

A Crisis of Democracy

by Rt Hon. David Heathcoat Amory, MP



Europe faces a crisis of democracy. The gap between the political class and the people is wide and growing. Turnout in European Parliament elections is low and falling. Referendum results, as in Denmark against the euro and Ireland against the Nice Treaty, have delivered stinging rebukes to the Euro-elite.

The extraordinary success of Le Pen in the first round of the French presidential elections owed much to this feeling of disenchantment and alienation from what Le Pen calls *"the technocratic Europe of Brussels"*. The result was a defeat for the Socialists, but equally humiliating for an incumbent President who is supposed to personify the French state but who received less than a fifth of the votes cast.

The people of Europe are trying to send a message to their rulers, but is anyone listening?

The people of Europe are trying to send a message to their rulers, but is anyone listening? By chance there is a vehicle for change: the Convention on the Future of Europe which was convened in February of this year and is due to report by June 2003 so that its recommendations can be acted upon by the next intergovernmental Conference in 2004. Do the members of this Convention have the imagination and courage to ask the awkward questions and insist on some clear answers?

The European Council at Laeken launched the Convention with a Declaration, laying out the suggested areas for study. In summary these are:

- A better division of competences in the EU, i.e. the 'who does what' question
- A simplification of the treaties
- Tackling the democratic deficit, with more transparency and efficiency in decision making
- Examining the case for a Constitution for Europe

The Laeken Declaration asserts that *"the EU is a success story"* but admits that it is perceived as remote and interfering. The choice of Valery Giscard d'Estaing as President of the Convention is curious in this respect because he was one of the chief architects of the present French model of the EU with its triumph of efficiency over democracy.

The Convention is composed of 105 members drawn from governments, national parliaments, the European parliament and the Commission. The 13 applicant countries from the East are fully included. Gisela Stuart and I represent the British Parliament, and Peter Hain is the British government representative. There are then an equal number of alternate members who can participate in our absence.

This disparate band has the daunting task of charting the future of a continent, or at least that part of it covered by the EU. Various parallels have been drawn between the European Convention and the Constitutional Convention which sat in Philadelphia in 1787 to draw up the American constitution.

There is in fact little similarity. In 1787 they had to establish a new form of government after the removal of the British Crown. There were fewer than two million Americans living in the States and they all spoke the same language and shared many political assumptions. Nevertheless, it was a prodigious achievement to draft a constitution within four months which has lasted now for well over 200 years with remarkably few amendments. It runs to about 15 pages. One can wistfully compare this to the fantastic complexity of the EU Treaties, or

to the accumulated laws of the *acquis communautaire* which now runs to over 85,000 pages.

The accumulated laws of the *acquis communautaire* now runs to over 85,000 pages.

There is something I would like to import from that Philadelphia gathering: its questioning attitude about the purpose of government, how it can be founded on popular consent and delivered by institutions which are accountable without losing their power of action.

In three meetings of the European Convention I have not heard one speech which addresses these fundamental issues.

In three meetings of the European Convention I have not heard one speech which addresses these fundamental issues. This is all the stranger since it was a Frenchman, Alexis de Tocqueville, who published a famous critique of American democracy after visiting the country in 1831. De Tocqueville admired the American federal system and contrasted it with the centralised bureaucracy of his home country. But he believed that American democracy was founded on what he called "*the manners and customs of a free people*" and that the intangibles of shared moral beliefs and a common language were more important in this respect than laws or a written constitution.

Yet advocates of a federal or quasi-federal model for the EU plough on regardless. They seem more interested in defending their existing institutions than engaging in a real debate.

If, as I believe, the conditions for federal democracy are not present in Europe, the whole question of supranational government needs to be approached with extreme caution. The central, inconvenient, unyielding fact is that true democracy in Europe is at present only possible at the level of the nation state. There is no unifying European electorate, public opinion, or *demos,* and these things cannot be created by passing more laws or waving an EU flag.

Once this is understood it is perfectly possible to design co-operative and effective EU mechanisms to take joint decisions and act on them. But it will be a different EU and the vested interests will not hear of it. To them, any suggestion of Less Europe is a retreat and a defeat. The only solution is More Europe.

It is not possible to democratise a process which is inherently undemocratic.

This will not work. It is not possible to democratise a process which is inherently undemocratic. Enlargement of the EU will intensify this problem, not solve it.

Take the European Parliament. It has been given more powers in each of the last treaty changes and now enjoys 'co-decision' with the Council of Ministers on most EU legislation. Yet turnout in EP elections continues to fall and in 1999 was below 50% across the EU, and below 25% in this country. People simply do not feel themselves democratically represented in this Council of Babel.

It is not hard to see why. Weird measures like the Physical Agents (Vibration) Directive come tumbling out of the EU system. Almost no one knows who dreamt it up, discussed it, voted for it or passed it. Yet it will make it illegal to sit on a tractor for more than a certain number of hours a day. And because it is EU law it cannot be amended or defied by the House of Commons. This is the negation of democracy, an insult to the principle of self-government.

Similarly, plans to elect the President of the Commission are starting at the wrong end. We need first to ask, what is the Commission for? If it is elected it becomes a government. If it is only an executive body, electing its president would be as odd as electing the new head of the British civil service.

Instead of gimmicks, the Convention must deal in facts. If it is serious about the lack of democracy in the EU it must recommend the transfer of powers back to member states. The subsidiarity principle, which is supposed to leave things at national level unless they can only be done at EU level, has been persistently ignored or overturned. Weak ministers connive at this practice because they like legislating in secret behind the closed doors of the Council of Ministers rather than being exposed to national scrutiny and the disciplines of the Treasury. We must be specific: areas such as social policy, transport, planning, education, culture, sport, tourism, health and habitat protection must be transferred back to member state parliaments.

The Treaty must entrench the principle that powers not specifically granted to the EU are reserved for the member states. Those powers which are granted to the EU, in areas such as trade and cross-border policies, must be spelled out clearly in treaty law.

Only then will people gain some understanding of who does what, and confidence that the rules will be respected, unlike the subsidiarity principle which is widely ignored.

This is not a recipe for paralysis. There remains much that can be agreed …

This is not a recipe for paralysis. There remains much that can be agreed and acted upon internationally. There could even be a new inter-parliamentary pillar in which national parliaments, and the European Parliament, create horizontal links and agree common measures.

The coming year will show whether the Convention on the Future of Europe can rise to the challenge and create something worthy of its heritage – an invigorated democracy based on public understanding and democratic consent.

David Heathcoat Amory is Conservative MP for Wells and the Conservative Party delegate to the EU convention on the Future of Europe. He is a Member of the European Foundation's UK Advisory Board.

The Second Siege of Malta

by Roger Helmer, MEP

Malta, the George Cross island in the Mediterranean that stood bravely against the might of Germany sixty years ago, is a beautiful place today. An idyllic location, just about level with Tunisia, it has sun and sand combined with amazing history, heritage and architecture. You can wander round delightful pedestrian-only hill-top villages. The Templars' Cathedral in Valletta is a riot of colour and decoration, while the view of the Grand Harbour must be one of the most spectacular in the world.

In the sixteenth century the famous Siege took place, with the Turks attacking the Knights Templar, so of course there is a Siege Experience Theme Park for visitors to see what it was like.

Malta is on the list of EU applicant countries, and like the other applicant states it is being carpet-bombed with EU propaganda, which reaches into every cranny of national life – education, government, politics, business, the media. Standing up against this onslaught is the brave but underfunded 'No' campaign – the Campaign for National Independence (CNI). Indeed their plucky struggle against the might of the Brussels barrage calls to mind the heroism and loyalty of the people of Malta sixty years ago when they held out against the hail of high explosive from the Luftwaffe, probably the most intensive bombing campaign in the history of aerial warfare.

In March, I was invited by the CNI to go to Malta on a flying visit – literally. I was in the country just over 24 hours. In that time I recorded two television programmes and an extended radio interview, and dined with the *Times of Malta,* the island's leading newspaper. I also addressed a CNI rally at the Valletta Chamber of Commerce, as well as a CNI Committee Meeting.

As a politician I have to be especially careful to avoid ethnic or national jokes, so I was a bit taken aback when a Maltese said to me: *"How do you make a Maltese Cross?"* But confident that I knew the answer to this old schoolboy chestnut, I replied, *"Stamp on his toe!" "No",* replied my questioner lugubriously, *"Send him a tax return!"*

Former Labour Prime Minister of Malta, Dr Bonnici, is a leading member of CNI, and attended several of the events. The Maltese political situation presents a problem for a visiting centre-right parliamentarian. Malta is far more polarised between two parties than the UK, and politics reaches every corner of national life. On the surface, we seem to have a classic left/right split between Labour and Nationalists. But scratch the surface and you find that the differences between them are more reminiscent of a nineteenth-century religious versus secularist face-off than a modern left/right debate.

And the situation recalls earlier times in another way too. The centre-right Nationalist Party supports EU membership, while the Labour party opposes it. This is more like the Britain of the sixties than the Britain of today.

I have taken some stick from colleagues for *"supporting the Labour Party"* and indeed my long radio interview took place in the HQ of the Malta Labour Party. But I make no apology. I believe that the issue of democracy and self-determination takes precedence over any left/right debate and I should be happy to share a platform with Tony Benn, Austin Mitchell or Frank Field to argue the case for independence, whether for Britain or Malta. When we have finished that debate and re-established our right to decide, then we can get down to the regular left/right ding-dong.

Indeed the CNI have been rather clever in inviting a range of parliamentarians from both left and right, and from several countries, to show that this issue of EU membership is not simply a sterile party debate. Conservatives have a special role to play in reaching out beyond CNI's Labour heartland and telling Nationalist Party supporters that we have a message for them too.

As I said to audiences repeatedly, I was not there to tell them how to vote. That is their own sovereign decision. I was there to share with them Britain's experience as a member of the EU, and my own experience as a Euro-MP. But I pointed out to them that if they exercised their right to join the EU, it would be the last sovereign decision they would ever make.

Just to underline my point, the local papers carried the news that Malta had just the previous day failed to obtain a derogation on fisheries. If they join the EU, other member-states will be able to fish right up to the shoreline.

Opinion polls in Malta's small community are notoriously unreliable, but opinion seems to be about evenly split between 'Yesses' and 'Noes'. There is everything to play for.

On the flight home, I found myself reading The *Malta Times* again. It carried an article by a columnist called Salvu Felice Pace, urging a 'Yes' vote. The line of argument was interesting. Either Malta could follow its manifest destiny and join the EU, or it would sink into an African/Islamic nexus, and be lost to the advanced world of the West, its European heritage forgotten. It just didn't seem to cross Mr Pace's mind that Malta might have a future as an independent, self-governing nation, that the Maltese people might manage their own affairs.

He called for Malta to be a bridge between the EU and North Africa, yet his approach to bridge-building seemed to be to camp permanently on the north side of the water. Within a few hours of arriving home, my letter to the editor of the *Malta Times* was on its way!

If I were a Maltese, I should look at the examples of Norway, Switzerland and now Mexico, who have bilateral free-trade deals with the EU. They get most of the benefits of membership with few of the onerous costs, regulations and bureaucracy.

Returning to Heathrow, I found that Malta is not the only target of EU propaganda. In Terminal 4 I saw big display ads placed by the European Central Bank (ECB), with the slogan *"The Euro: Our Currency"*. Regardless of the rights and wrongs of the euro itself, this is plain lie. The euro is not our currency. I have already written to the Advertising Standards Authority, the British Airports Authority and the ECB, demanding that these ads be removed.

Let's hope that both we and Malta manage to keep our currencies. If you want a week in the sun, why not give Malta a try. And if you'd like to help Malta's 'No' campaign, please send your donation, however small, to John Harrison, FCA, Treasurer, Malta Independence Appeal, Old Stable Yard, Caesar Street, Chester Green, Derby DE1 3RU. Cheques should be payable to the Malta Independence Appeal.

Roger Helmer is a Conservative MEP for the East Midlands and a Member of the European Foundation UK Advisory Board.

Euthanasia and the EU

by Dr Charles Tannock, MEP, MRCPsych

A number of delicate issues have been raised or debated in the European Parliament recently. The EU's global campaign against the death penalty has been raised. The controversial issue of EU research funding for experiments on spare, IVF discarded human embryos has been discussed. The cloning of human embryos for therapeutic stem cell harvesting has been looked at. The most recent is a proposal to debate an emergency resolution questioning the new Dutch law on active euthanasia, which came into force on 1 April. This effectively legalised a controversial practice prevalent for two decades involving an estimated 5000 'mercy killings' a year.

So far the EPP–ED group, to which the British Conservatives belong has rejected opposing the change in the law directly after strong lobbying by both sides. The anti-euthanasia campaigners who are afraid the EP might defeat it and thus send the 'wrong' signal to member states which are wavering on this issue.

When life begins remains controversial, now where it ends is becoming the debate.

As a medical student, I was taught some simple but fundamental principles of medical ethics; respect for the sanctity of life. When life begins remains controversial, now where it ends is becoming the debate. The principles included: "*Primus non nocere*" (first do no harm); "*thou shalt not kill but thou shalt not strive officiously to preserve life*", and respect for non-malificence and patient autonomy. These have been my guides as I attempt to negotiate the moral maze surrounding euthanasia, in which advance directives (living wills), proxies, do-not-resuscitate policies for the terminally ill and the resulting jurisprudence all play their part. This last has ranged from the Anthony Bland case to the recent Miss B. Judgement, which authorised a mentally competent adult to refuse medical treatment, including the right to have her ventilator switched off. The court termed this the right not to be "*inflicted with benign paternalism*" (passive voluntary euthanasia). This is a position that I support.

This is in contrast to the better-known Diane Pretty case in which she requested harmful (fatal) treatment to be administered. This is the very different active voluntary euthanasia. I strongly oppose such action and, unfortunately, Dutch law now sanctions it. The British courts refused to give her husband immunity from prosecution for a crime that carries a maximum 14-year jail sentence. The late Diane Pretty her appeal to the European Court of Human Rights in Strasbourg in which she tried to claim that a denial of her "*right to die*" constituted a violation of her fundamental human rights. I have never been convinced of the need for active euthanasia. Discretion and flexibility already exist in everyday practice. Indeed, every day that I worked on the psycho-geriatric ward we would decide to withhold intravenous antibiotics when it was clear that these served only to prolong a life of deteriorating quality in a patient suffering from a terminal condition of Alzheimer's disease. That said, we would never sanction any active procedure that caused pain or discomfort, but would insist on adequate pain relief and hydration to the end.

British doctors, by and large, are quite comfortable with the interdiction against active euthanasia, but are perfectly willing to practice passive euthanasia. This can be voluntary where the patient is able to consent, or even involuntary if the patient is unable to consent due to dementia or coma. It is subject to close consultation with the relatives and other senior medical colleagues. This is seen as good medical practice, affording patients the opportunity to die with dignity.

Moral purists would argue there is no difference between masterful inactivity of withholding treatment, including the switching-off of ventilators, and the more active Dutch or US Dr Jack 'Death' Kevorkian-type killing method. Dr Kevorkian is now serving a 25-year prison sentence for second-degree murder after conviction for assisted suicide of over 100 terminally ill people. However, to a bedside clinician these two versions of euthanasia feel very different owing to one being manifestly successful immediately after administration of the lethal dose, whilst the other involves nature taking its course over an indeterminate period of time. The fact that the purpose of a change in regime is primarily designed to prevent prolongation of suffering, rather than bring about immediate death, is also difficult to ignore.

This debate has hotted-up on the other side of the Atlantic as in April a US Federal Court declared unlawful an attempt by the US Government to intervene against a 1997 Oregon State law allowing physician-assisted suicide. It was the only US state to have such a law. John Ashcroft, the US Attorney General, issued an order backed by the Christian right-to-life lobby on the basis that participating doctors were overstepping the ethical boundaries of their profession (even though the patient needed to self-administer the fatal drug) and that federally-controlled drugs would necessarily be used.

The law, which was not contested by his immediate predecessor from the Clinton Administration, Janet Reno, was introduced to address the issue of uncontrollable pain. According to opponents, however, of the 27 cases terminated not one fell into that category. Rather, all 27 were for psychological and social reasons, leading to claims that the eminently treatable condition of depression was the main reason for their death. Opponents have also claimed that this is the case in Holland.

Mr Ashcroft's Directive established in writing for the first time the 'safe harbour' principle that opiates (only morphine is allowed in the US) could be used as pain-killers even at doses that might unintentionally kill the patient as a side effect, in order to counteract the euthanasia lobby which claimed people were dying in pain as doctors feared using high enough doses for pain relief in case they might be prosecuted for homicide.

This clarification is consistent with current British doctrine; and this practice has never been challenged in the UK. Moreover, the UK has a well-established palliative care hospice movement, expert in pain relief and permitted to use the more potent drug diamorphine (heroin); unlike the more restricted US analgesia practice. The existence of palliative care as a specialty would be challenged in the UK were euthanasia introduced. This is suggested by

the fact that there are virtually no palliative care specialists or beds left in the Netherlands.

It has been said that the measure of a nation's civilisation is how it treats its old and sick. In my view, Holland does rather badly on that. Of course, there are obvious advantages for politicians in not having to pay for expensive cancer treatments or palliative care centres or nursing home beds for the frail, sick or demented. Besides, importantly this is not a constituency with voters who will complain! Who knows how many euthanised Dutch citizens might have subsequently changed their minds or how many of these citizens were in fact suffering from a depressed suicidal state of mind (potentially reversible with antidepressants) when asked to sign their own death warrant by some uncaring relative anxious to inherit their property or spare any further expensive medical treatments from the family budget? Who knows, for that matter, how many were sufficiently cognitively unimpaired (i.e. not dementing or suffering from delirious condition all too common in advanced terminal conditions) to be fit enough to make such a critical final decision? Once they are dead this becomes a statistic that cannot be calculated.

Elsewhere in the world practice varies considerably. Australia's Northern Territory briefly had a Rights of the Terminally Ill Act allowing active euthanasia but the Federal Parliament repealed this in 1997. Switzerland, although its Parliament rejected a Bill, tolerates assisted suicide without motives. In Colombia the Constitutional Court has ruled that, in cases involving the terminally ill, it should be unpunishable.

I believe it is degrading for a doctor, as a healer, to initiate the act of death. To my mind, the taking of human life should never be compared to a veterinary act like putting down a dog.

One of my biggest objections to the Dutch Act, and similar legislation passed by the Belgian Senate last year, is based on the frequent allegations that doctors and relatives have frequently breached the safeguards built in. I fully accept that patient autonomy theoretically allows the right to suicide, which has been decriminalised in the UK, but the problem is always determining how competent the patient is to make such a decision which might be clouded by depression and outside influences. Besides, in Holland children as young as 12 can make such a request with parental backing (and from 16 without). I believe it is degrading for a doctor, as a healer, to initiate the act of death. To my mind, the taking of human life should never be compared to a veterinary act like putting down a dog. Moreover, euthanasia offends against the doctrine of the sanctity of life, already badly compromised by the widespread legalisation of abortion on demand in the '60s and '70s.

The UN Human Rights Committee of independent experts criticised the Dutch model, accusing it of having the potential for routine and insensitive mercy killings.

Although advocates for abortion in the UK in 1967 claimed it would only be used in hard cases, in practice, it immediately became available on demand. Exactly the same has proven to be the case in Holland with euthanasia. A 1990 study revealed that two thirds of cases were carried out not for intractable pain at all but for *"low quality of life"*. In 1996, Dr Hendin testified that more than 1,000 cases per year did not even have the patient's approval, this was the case with its use on the comatose, the demented or handicapped neonates, even though the current law now outlaws this by requiring a clear statement from the patient that the choice to die is rational and reasoned. A second medical concurring opinion is required, which is then reviewed by a regional commission, but alas only after death! Inappropriate terminations may be reported but this is entirely at the Commission's discretion with no involvement of the public prosecutor.

The UN Human Rights Committee of independent experts criticised the Dutch model, accusing it of having the potential for routine and insensitive mercy killings, where pressure could be brought to bear to avoid the legal safeguards. This is not helped by a statement immediately after the law was passed by the Dutch Health Minister that elderly patients *"tired of life"* should be supplied with a suicide pill, as evidenced by the 1995 case when such a pill was supplied to former Senator Brongersman by a Dr Sutorius, although he was absolved as he was said to have acted with *"compassion"*!

Even more alarmingly, Dutch law, unlike Oregon's, says nothing about imminent death, only insisting on the more subjective *"unbearable, interminable suffering"* test, which of course includes severe psychiatric, and therefore potentially treatable, conditions. Theoretically, the Dutch law requires that the patient be resident in Holland, but this is unenforceable. This is also, in my view, the reason why the European Parliament might claim the right at least to debate this issue. The new law contravenes Article 2 of the 1950 European Convention for the Protection of Human Rights and Fundamental Freedoms on the protection of life.

There is the very real possibility of 'death ambulances' crossing national frontiers. It is feared that these will ferry elderly patients from, say, neighbouring Germany (which still remembers and fears Nazi era euthanasia), where it is strictly proscribed, to Holland for termination. This is rather like the traffic of Irish girls coming to London to terminate their often advanced pregnancies, which has made the UK the abortion capital of Europe and has helped it to develop a multi-million pound 'abortion industry'.

This fear of 'euthanasia tourists' has surfaced in Italy when a Turin magistrate raised the spectre of an Italian suspected of assisting the passage to the Netherlands of ill people to die. It is also my view that the Dutch government, as shown by the disappearance of palliative care in their country, has totally ignored advances in modern pain relief therapy, undermined training and research in this vital area and lowered medical professional dignity by allowing doctors to participate in an act which offends against its basic life-saving principle. This has been replaced instead by a culture of death. I sincerely hope that we in Britain never introduce such callous legislation over here.

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Fascism v the EU: France's Selection Dilemma

by William Rees-Mogg

The big question of European politics is that of change. The election in France, the assassinating of Pim Fortuyn, the campaign in Germany, all show that the European electors want what would be called Euro-reform, a concept much closer to the critique of euroscepticism than to euro-federalists. It is rather like the demand for modernisation and reform in British politics in 1997. The question is whether Europe is capable of being reformed. The auguries are not favourable. The first round of the French elections was a particularly bad omen.

The tabloids do not always get it right. On Monday, 22nd April, the day following the preliminary round of the French Presidential elections, which Franklin Roosevelt might have called "*a day which will live in infamy*", the *Sun,* which usually has a very accurate sense of its readers' priorities, led on the story of Sven and Ulrika, though it had a brief ear-piece on *"Racists oust French PM. See pages 8 and 9."* The *Daily Mail,* a mid-market tabloid, gave its front page to Mo Mowlam's story, "*I was knifed in the back by Number 10,*" with a strap on *"Ulrika v Nancy: Sven's selection dilemma. See page 3."* John Laughland's excellent article on Le Pen's victory only appeared on page 4. The *Express* and *Mirror* left Le Pen off the front page.

This must be a mistake. Admittedly the result made inevitable what was already highly probable, another term as President for Jacques Chirac. His massive majority was itself almost a humiliation, a vote for the less bad candidate. In the first round only one French voter in seven had supported Chirac. For a sitting President that is surely a sharp rebuff. Yet the result will have an impact on all European politics, either at the national or the EU level.

France is the core of the European Union, geographically and constitutionally. Since the foundation of the original Coal and Steel Community in the early 1950s, France has been a leading partner in the construction of this form of European unity. She is also the core country in the purely geographical sense; Germany, the United Kingdom, Italy and Spain are all France's direct neighbours but they are only distant neighbours to each other. Yet France is also a politically vulnerable nation. Since 1789, France has had two royal dynasties, two Napoleons, and no less than five Republics, a new regime every twenty five years. The British constitutional volcano is quiescent; the French volcano is still active, and France had a near revolution as recently as 1968.

The defeat of Jospin is not a revolution, but it is a puff of smoke from the crater. The first round results spoke of apathy, anger, fear and resentment. Fortunately M. Le Pen is quite an old man; he is 73. Fortunately also he is a politician of the second rank, even among modern fascists.

Yet the resentments and the social background of Le Pen's supporters form the traditional basis of support for fascist parties; his supporters belong to the same class as the core supporters of Hitler, Franco or Mussolini. They are the downwardly mobile petit bourgeoisie, people who feel out of place in modern life, people who are the first to resent immigrants, the first to lose their jobs in a downturn, often deeply prejudiced against foreigners and Jews. They have just enough social and material status to be profoundly afraid of losing it.

This group always exists, in every industrial society. One of the functions of democracy is to disperse the understandable fears and angers, by the offer of democratic change. France has had little or no democratic change since the 1970s. Three successive Presidents have all belonged to the same political class, and have been involved in the same sort of questionably deals. The French political class as a whole has not gone out of power, and it now has another five years in office.

In this period, France has increasingly been governed by the Brussels bureaucracy, and governed in a way that many French people do not at all like. Unlike Britain, France has joined the euro. The transfer was quite smooth, and was much applauded by European bureaucrats. But it was a symbolic affirmation that sovereignty had passed from France to the European Union. The French are at least as nationalist as the British, at least as sensitive to any slight on their national independence. The feeling that national sovereignty was being lost played into the hands of Le Pen, who wants to leave both the euro and the EU itself.

The French have also resented the level of Arab immigration. France has the largest Islamic community in Western Europe. One Frenchman in six is said to be of African descent. The fascists are instinctively anti-Islamic, as well as anti-Semitic. It has been easy to build political support on an anti-immigrant message; it has also been easy to blame France's problem of crime on the immigrants.

Fascism is reviving in other parts of Europe. There are significant neo-fascist parties, under various names, gaining support in France, Austria, Italy and the Netherlands. The founders of modern Europe, Adenauer and Schumann, hoped that European unity would protect Europe against extreme parties of the right and the left, against fascists and communists. The truth is that the European Union does not have the flexibility of a democratic structure. The bureaucrats have the power, in alliance with Eurocratic politicians of the Prodi type, and Brussels cannot be voted out of office. That is the *"democratic deficit"*. The democratic deficit is actually a cause of fascism.

The effectiveness of democracy consists in its ability to change governments without revolution. That power does still exist in the national parliaments of all the fifteen nations of the EU, but not in the EU itself. The European parliament can force the Commission to resign, but that only has a cosmetic or shock effect. The European political class still retains its power. If you can only change governments by revolution, sooner or later you will get a revolution.

Eurosceptics recognize the danger of this democratic deficit to the future stability of the European system. So far, the European political class has refused to see that it is a danger. Nothing helpful is likely to come from the Convention of the Future of Europe, which has Giscard d'Estaing in the chair. Yet it is the euro-democrats who are the true friends of Europe. No modern political system long survives which does not provide a peaceful means of democratic change.

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Steel Opens a Can of Worms

by Keith Marsden

President George W. Bush was ill advised to slap hefty tariffs on US steel imports. They will hurt US steel-using industries and US consumers, and tarnish his free trader image. But the proposed EU retaliatory measures – imposing crippling duties on a wide range of US exports and raising barriers to steel imports that might be displaced from US markets – would be hypocritical and counterproductive.

The EU has used similar safeguard measures to defend industries (food products) considered vital to its national interests. It employs an array of trade-distorting subsidies to protect its producers generally, and to promote exports. If it shuts out or retards steel imports from developing countries, including Eastern European countries, the EU will make a mockery of its claim (already overblown) made recently in Monterrey. Addressing the International Conference on Financing for Development, European Commission President Romano Prodi bragged: *"Our markets are open, wide open, not least to the developing countries."*

The EU responses risk sparking a major trade war that would harm everyone. And they would not tackle the problem at the heart of this trade dispute – global excess steel production capacity – in any fair or efficient way. Moreover, some of the EU measures may be illegal, at least in timing, under WTO rules.

Whatever one might feel about President Bush's steel decision, the US did follow the procedures laid down in the WTO Agreement on Safeguards (AS). On June 1, 2001 President Bush asked the US International Trade Commission (ITC) to investigate the effects of imports on America's steel industry and its workers. The ITC is the competent authority designated under article 3 of the AS to conduct such an investigation. Importers, exporters and other interested parties were given the opportunity to present evidence and views.

Conforming to article 4 of the AS, the ITC evaluated all relevant factors of an objective and quantifiable nature having a bearing on the situation in the steel industry. In particular, it examined the rate and amount of the increase in imports of steel in absolute and relative terms, the share of the domestic market taken by increased imports, and changes in the level of sales, production, capacity utilization, profits and losses, and employment. The ITC found a causal link between increased imports and *"serious injury"* to the US steel industry, defined in article 4 of the AS to mean *"a significant overall impairment in the position of a domestic industry"*.

The ITC reported that total US steel imports increased by 31% from 1996 to 2000, reaching nearly 20 million tons. Some sectors of domestic production were more severely hit. The upsurge in imports of long products, pipe and tube steel, and stainless and alloy tool steel ranged between 64% and 87%. Over a longer period, the WTO says that steel imports into the US rose at an annual average rate of 6% from 1990 to 2000. In contrast, imports into Germany and Britain fell by 2% and 1% annually respectively, and French imports rose by just 1% annually over the same period.

US steel production and imports dropped in 2001, in response to the overall economic slowdown and the September 11 terrorist attack affecting large steel-using industries like machinery, transport and construction. According to the International Iron and Steel Institute (IISI), North American steel production fell by 15.5 million tons in 2001, an 11.4% drop. But US economic recovery in 2002 has been accompanied by a renewed import surge. The ITC says that January imports were up by 14% on a year to date basis.

These trends have had a severe impact on the US steel industry. Since 1998, firms accounting for 30% of US steel-making capacity have filed for bankruptcy. Domestic steel prices in the last quarter of 2001 were at their lowest levels in 20 years and nearly all US steel operations, regardless of efficiency or business model, were spilling red ink. Since 1997, 45,000 US steel workers have lost their jobs, despite big increases in productivity. Crude steel production per employee has nearly tripled since 1980, and the current level (590 tons) tops the EU and Japanese averages, the IISI reports.

It could be argued that, in the face of this evidence, no President could stand idly by while a strategic industry was being bled dry. It might also be said that America's trading partners forced the decision upon a reluctant President Bush. They failed to respond to his three-pronged Steel Industry Plan announced last June. Its first two components were: (1) to reduce global excess steel-making capacity, and (2) to eliminate subsidies and market-distorting practices globally.

Discussions on these objectives have got virtually nowhere, despite four OECD meetings (the latest last month) of top government officials representing most of the world's steel producers. A global excess capacity of around 200 million tons remains, and the EU is a major culprit. According to IISI, EU steel production rose to 163 million tons in 2000, a 10% increase over 1990. But EU steel consumption in 2000 was just 144 million tons and EU imports from lower cost producers were sizeable, despite tariffs of up to 7% and strict quota controls on imports from Eastern Europe in particular. So subsidised EU production was off-loaded onto saturated world markets. EU extra-regional exports amounted to 25.6 million tons in 1999. Subsidies also allowed specialised EU steel producers to undercut their foreign competitors and gain economies of scale within the protected EU steel market. Intra-EU steel exports by EU producers totalled 75 million tons in 1999. Thus exports of steel from other WTO members are displaced or impeded in world and EU markets.

EU subsidies take various forms. As an energy-intensive industry, steel benefits from state-aid to the coal and coke industry and from cheaper electricity from coal-fired power stations. Total EU coal subsidies have averaged over €7 billion annually over the last five years, and for current production alone amounted to almost €48,000 per employee in coal mining each year since 1997. In addition, EU steel producers received direct subsidies worth about €2.5 billion over the last five years. However, it is noteworthy that Britain's steel industry received no subsidies during this period. And its coal miners received no state aid for current production. The main beneficiaries were steel producers in Germany, France, Italy and Spain.

Huge government handouts to railways also lowered the transport costs of EU steel producers for both raw materials and

finished products. The European Commission says these subsidies amounted to over 25% of the value-added in all inland transport services since 1997, and of course a much higher percentage of railway value-added (for which precise data are not available). Here also, there are big differences in the level of subsidisation from country to country. State aid to railways over the last three years accounted for 46% of value-added in inland transport services in Belgium, 36% in Germany, 24% in France, and 22% in Sweden, compared with less than 10% in Britain.

EU steel producers and workers also benefit from large 'horizontal' (not industry specific) subsidies for state training, job placement, and pension programs funded largely by value-added and other indirect taxes. Under WTO rules, these taxes can be deducted from the price of exports. In contrast, US steel producers have themselves funded generous health care, training and pension schemes, and their costs must be passed on to their customers, without a tax rebate for exports. This has become more burdensome as a growing number of retirees have to be supported by a dwindling band of active workers and contributors.

Under article 5 of the AS, WTO members can only apply safeguard measures to the extent necessary to remedy serious injuries and to facilitate adjustment. The US believes it has conformed. Article 9 says that the measures should not be applied to developing countries if their share of imports of the product concerned does not exceed 3% individually or 9% collectively. The US decision excludes a long list of developing countries. An AS footnote states that a customs union may apply a safeguard measure as a single unit. This may justify the exclusion of NAFTA members (Canada and Mexico).

EC officials have challenged these interpretations. Yet the EU seems to be unwilling to go through the usual WTO dispute settlement procedures. It initially planned to launch immediate retaliatory action by imposing high duties on over $2 billion worth of current American exports to the EU. The level has subsequently been scaled back. But it is rumoured that the products covered have been carefully selected to cause maximum political embarrassment to President Bush in 'swing' states. This is not the fair play expected between allies. More importantly, article 8 (para. 3) of the Agreement on Safeguards states that retaliatory measures *"shall not be exercised for the first three years that a safeguard measure is in effect, provided that the safeguard measure has been taken as a result of an absolute increase in imports and that such a measure conforms to the provisions of this agreement."* The US argues that it has met these requirements, and is ready to defend its case in WTO dispute panels.

Instead of pursuing a tit-for-tat strategy, the EU should join its trading partners in tackling the fundamental problems caused by subsidies and excess capacity in the steel industry. It should certainly not raise barriers to steel imports from developing countries that rely on such basic industries to lift themselves out of poverty. And Britain, which uses trade-distorting subsidies to a much lesser extent than most EU members, should take the lead in promoting further trade liberalisation during the Doha-Round of trade negotiations. A re-examination of the WTO Agreement on Subsidies and Countervailing Measures is also called for. The present text allows too many loopholes and *"non-actionable"* categories that can be exploited by persistent offenders and their clever lawyers.

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… news in brief

EU wants European border police

An action plan for *"the integrated control of external frontiers"* which provides for the creation of a common European police force for the EU's borders was presented on 7th May in Brussels by the EU commissar for justice and home affairs, Antonio Vitorino. The idea of having a common police force was first suggested by Germany and Italy – ostensibly as a way of fighting illegal immigration – but it has now gained support among other EU governments. Jacques Chirac and Lionel Jospin have both supported it. Romano Prodi has said that people in Europe will be happy to have their borders policed by policemen from other countries, e.g. for there to be Greeks and Danes checking passports at Heathrow. One of the purposes of this common force would be to transfer money from some countries to others: the argument is that some countries, presumably Italy, have to bear a greater cost policing 'Europe's' frontiers than, say, Belgium. [*Le Monde*, 8th May 2002]

Delors attacks "budgetary rigour"

To add to the climate of discord, the former president of the European Commission, Jacques Delors, has weighed into this debate, saying that he does not share the current Commission's *"obsession with budgetary rigour"*. He was responding thereby to the warning issued against Paris. He also attacked the Commission for pressing for more labour deregulation, saying that there were already poor workers in France and that the labour market had already become very flexible, and maybe too flexible. He pointed to the Danish example as proof that one can have high taxes, a high level of social protection, and a healthy economy. Delors said that he thought that the spirit of the Maastricht treaty was not being respected, in that there was insufficient co-ordination of economic policy in Europe, notably between the head of the Central Bank and the Commission. He also called for strong EU policies in research and infrastructure projects. [*Le Monde*, 14th May 2002]

Old Mother Hubbard

The German Finance Minister has admitted that there will be a big shortfall in taxes in 2003–2005, 12 billion euros in total. Eichel has claimed, though, that this does not mean that there will have to be any extra "savings", i.e. spending cuts or tax hikes. [*Handelslblatt,* 17th May 2002] This makes his promise to balance Germany's budget by 2006 look increasingly implausible, however. Eichel's refusal to help France out of a sticky patch notwithstanding, it looks inevitable that the two countries will eventually be forced to break the terms of their Stability Pact.

Blair and Schröder appeal against "extremism"

The British prime minister and the German Chancellor have made a joint statement opposing the rise of *"undemocratic"* right-wing parties in Europe. Any re-nationalisation of policy could represent a danger to Europe, said Schröder, thereby abandoning the very position he had taken only a few weeks previously. Blair called on all democrats to take a stand against extremism. Schröder told the *Guardian* that he expected all *"democratic conservatives"* to fight with the left against racism and intolerance. [*Die Welt*, 13th May 2002] Schröder should know what he is talking about: the *"network against right-wing extremism"* which various German newspapers and media outlets have enthusiastically joined has changed silently from that – to, quite simply, a *"network against the right"*.

The European Central Bank: An Economic 'Authority' to Avoid

by Dr Brian Burkitt

The European Central Bank (ECB), which started running the monetary policy of the countries adopting the euro on 1 January 1999, is a creation of the Maastricht Treaty, which designed it to be the most independent monetary authority in the world. The Treaty established the ECB as the only institution possessing the right to issue the single currency. Its sole aim is to pursue price stability. Article 3A makes the goal legally explicit, and therefore binding, whilst stating that other objectives may be pursued only "*without prejudice*" to price stability. Furthermore, the ECB is forbidden by its founding charter to balance the goal of stability against other aims such as growth and job creation.

The ECB's architects at Maastricht sought to insulate it completely from political pressures, both at the national government and at the EMU zone level. By contrast, the US Federal Reserve is required to take into account output and employment objectives alongside inflation targets, whilst being subject to fierce, regular scrutiny by Congressional committees with wide powers of investigation and review.

The position of the ECB under the Maastricht Treaty permits no direct accountability to any national nor EMU institution. It stipulates that the ECB Council's deliberations remain confidential. The only method of questioning the ECB's policies is through periodic reports to the ineffective European Parliament. Consequently, in the EU structure of decision-making, widely acknowledged to be suffering from a 'democratic deficit', the powers handed to an unaccountable ECB exacerbate the shortcoming. Charles Dumas of Lombard Street Bank argued that *"the ECB's 'excessive' independence was the price paid for persuading German voters to give up the mark."* [1]

The announced resignation of Wim Duisenberg as President of the ECB, and his proposed replacement by Jean Trichet, financial scandals permitting, has recently captured newspaper headlines. Analysts have flocked to discuss the implications for eurozone monetary policy of the proposed change in personnel. In reality, despite his lamentable public reputation, Wim Duisenberg's departure is unlikely to solve, nor indeed alter, the fundamental problems facing the ECB. His all too frequent gaffes did little to help the single currency, but the euro's worries look set to continue long after the Dutchman retires.

The ECB has presided over mass unemployment in the eurozone, standing at 10.4% in Germany alone during February 2002, whilst failing to meet its own inflation target during most of the period since the launch of the euro (21 months' 'failures' to 15 months' 'successes'). As the global economy experienced downturn during 2001, the ECB came under attack for its belated response in contrast to the Bank of England and the Federal Reserve. Its weaknesses stem from fundamental flaws in its character, as formulated by the Maastricht Treaty.

It possesses four fundamental flaws:

1 The Inflation Target

In Britain the Government sets the inflation target, which is symmetrical (i.e. deflation is to be avoided as much as inflation). By contrast, the ECB defined its own operating procedures, so as to focus upon one objective: an inflation rate of 2% or less. The Treasury has called for the ECB to change its asymmetric, inflation-only target to a more balanced one in order to avoid the danger of a bias towards deflation. In a bizarre attempt to imitate the Bundesbank of old, the ECB has imposed interest rate levels, which are ruining German industry and destroying German jobs. This folly arose from its dogged insistence on setting too low an inflation target (0% to 2%), its emphasis on the money supply and its unwieldy board structure. All of these conspire to make the ECB too slow to respond to, let alone anticipate, economic change and too unwilling to take account of the impact of its interest rate decisions on employment and growth. Within such a restrictive framework, a change in the Presidency will not itself generate future reform.

2 Lack of Transparency

The votes of members of the Bank of England's Monetary Policy Committee and minutes of its meetings are published two weeks after they take place. The ECB publishes neither, leaving markets in ignorance of its present motives and its future intentions. Indeed in May 1998 Wim Duisenberg stated that he did not want to disclose minutes of meetings until sixteen years have elapsed!

3 Lack of Co-ordination

In contrast to the close collaboration between the UK government and the Bank of England, the ECB and the Council of the twelve eurozone finance ministers have frequently been embroiled in disputes over spending, interest rates and appointments. As government expenditure and taxation remain uncoordinated across the twelve countries, the construction of complementary budgetary and monetary policies is impossible.

4 Resistance to change

Because it is established by treaties, which cannot be altered without the unanimous approval of EU member states, the ECB framework is resistant to change. Calls from the British government for ECB reforms have been ignored. Indeed, Karl Otto Pohl, former President of the Bundesbank, said recently *"it would be almost impossible to change the statutes of the ECB in practice, because one country or another would object."* [2]

The practical difficulties facing the ECB, when trying to implement an effective monetary policy, arise from its flawed design rather than from the deficits of any one individual. Its unaccountability and lack of transparency have not strengthened, but weakened, its credibility with financial markets. For the UK to surrender its more efficient framework of economic policy formation and submit to the 'authority' of the ECB by opting to join the single currency would be an act of unparalleled folly. We would suffer through the imposition of measures unsuited to our economic conditions for many years to come.

Thus a recent estimate of the impact of euro entry based upon the Liverpool model of the British economy demonstrates that a combination of a lack of convergence and a lack of flexibility leaves the eurozone (and

the UK should it join) far more prone to economic variability in face of an inflexible, one-size-fits-all interest rate. To quote its principal results:

(a) Joining the euro would increase the variability of Britain's economy, the boom and bust factor, by 75%; (b) the instability of output growth would be nearly a third higher inside EMU; (c) swings in employment and unemployment would be almost a fifth higher if Britain were a member of the single currency, (d) real interest rates would be over four times more variable inside EMU; (e) inflation would oscillate around ten times more if Britain joined the euro.

Despite the inevitable imprecision of all projections about the future, the overall conclusion is clear: Britain in its own economic interest must avoid EMU and its domination by an inflexible, undemocratic ECB. Therefore it is crucial that the British people, if and when consulted, reject this outdated, unaccountable nightmare.

1 *The Times*, 3 March 1999
2 *Observer*, 17 February 2002

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The Impact of Euro Entry on Public Service Provision

by Dr Brian Burkitt

It is widely agreed that the lifetime of the current British Parliament will be dominated by two issues: the quality of public service provision and whether or not the UK decides to join the European single currency.

However, most commentators perceive these issues as separate from each other, associated only by the occasional vagaries of party politics. In fact, as recent experience makes clear, they are intimately linked by the Maastricht Convergence Criteria (MCC), supplemented by the Growth and Stability Pact (GSP) agreed in 1997. Gordon Brown's so-called budgetary 'Golden Rule', which permits Government borrowing for investment, is incompatible with the GSP, which makes no distinction between state borrowing for consumption and for investment. The Government has stated that its priority during its second term in office is the improvement of public services, the three key sectors being education, health and transport. The latest *Budget Red Book* demonstrates that the government is meeting the 'Golden Rule'; public sector net borrowing is presently in surplus (net repayment), with future projections of a deficit averaging 1% of GDP per annum over the 2003–2004 to 2005–2006 period.[1]

However, this relatively healthy financial position is difficult to reconcile with the *"close to balance or in surplus"* provision of the GSP. Measured on the Commission's rules, the UK is projected to be 1% of GDP in deficit, whereas on the Treasury framework, which distinguishes short-term finance from investment, it would be in surplus by 0.7% of GDP. The cuts needed to bridge the gap between the 'Golden Rule' and the GSP's more rigid criteria would be 1.7% of GDP (approximately £10 billion per year), much of which will fall on public investment. Hence the EU Commission and ECOFIN (the meeting of Eurozone finance ministers) criticised the UK's expenditure and taxation for generating an estimated 1% budget deficit between 2003 and 2006, to which the Treasury replied, *"Brussels demands £10 billion hospital cuts as entry fee for joining the euro."*[2] Gordon Brown argues that the 'Golden Rule' is necessary to prevent *"discrimination against investment"*. Such protection would be lost under the GSP provisions, so that joining the single currency would compel the Government to control spending on hospitals and schools in violation of its electoral mandate. It would also severely constrain Conservative and Liberal Democrat planning for the future reform of the delivery of public services.

The European Central Bank (ECB) has ruled out any changes to meet UK concerns. Wim Duisenberg said, *"We feel no need to revise our intentions or targets."* He added that the British policy-making framework was *"purely political"*, so that he refused to become involved. In face of such intransigence, euro entry involves abandonment of the 'Golden Rule'. It not only threatens public investment but by discriminating against infrastructure expenditure, damages conditions for firms making long-term decisions to locate in Britain.

The failure of the GSP to make separate provision for investment is the focus of Gordon Brown's current dispute with Brussels. He is seeking its amendment to allow for (a) the stage in the economic cycle, and (b) state borrowing for investment. Without such amendments, the GSP requires large-scale reductions in the Government's public expenditure plans. As one of the countries outside the eurozone, Britain is not bound by the GSP, but is expected *"to use it as a template for prudent management"*; prudence being Mr Brown's favourite catch-phrase.

The dispute between Brown and the European Commission is no run of the mill disagreement, but raises the fundamental issue of whether Britain can both join the euro and maintain its drive to improve public services. At the moment, the conflict is largely semantic, since fines can only be levied upon euro members. However, it would become crucial were Britain to join the euro; a one-size-fits-all budgetary policy would conflict with the UK's need for higher infrastructure investment.

If the GSP became binding, as euro entry would entail, major obstacles to improving public services would exist. Tony Blair wants Britain to join the euro; he also wants to rebuild public services without upsetting taxpayers. Those two objectives are incompatible; which will be sacrificed? Not only is the GSP arbitrary, it is also subject to political manipulation. At 2.7% of the GDP, Germany's predicted fiscal deficit for 2002 comes close to the 3% Maastricht ceiling. The EU Commission accordingly threatened it with a formal 'early warning', but EU finance ministers refused to act after Germany's promise of achieving near-balance by 2004. However, only two weeks earlier, the German government had indicated that balance would not be possible until 2006, and the Commission's analysts agreed!

So what, other than the political imperative of not offending one of the two countries that was traditionally the motor of EU integration, had changed? Moreover, Germany's growing budget deficit arises from the imposition of a uniform interest rate across the eurozone. Berlin is denied by EMU some of its most important economic weapons (the exchange rate, the interest rate and the money supply) to combat recession, so that it has relied on the tax cuts and

increased public spending for economic stimulus. Yet the GSP also places budgetary measures under Brussels' suzerainty. Small wonder that many economists have yet to be persuaded by EMU's advantages, particularly as it makes fiscal policy contractionary during recessions, when the achievement of stability requires the opposite!

This analysis of the GSP's operation demonstrates that British membership of the single currency involves far more than abolishing the pound. It necessitates the UK's acceptance of an EU-wide macroeconomic framework, ostensibly designed to prevent individual governments from destabilising the eurozone.

Although the existing treaties do not yet stipulate the degree of budgetary harmonisation currently imposed upon monetary policy, national taxation and public expenditure are nevertheless constrained by the GSP. The three non-eurozone economies are compelled to align their strategies with that of the zone, whilst they participate in unnecessary 'national surveillance' procedures by submitting reports to ECOFIN. The 2001 Red Book is full of references to the UK's *"European commitments: Maastricht deficit and Maastricht debt ratio"*. All national account techniques have been harmonised to conform to EU guidelines. Additionally, the British Government is shadowing the MCC to enable it to join the euro whenever public opinion appears susceptible to persuasion.

The attempt to shadow the inflexible, unaccountable GSP criteria will damage the British economy. Analysis of the period since the official launch of the euro on the 1st January 2000 illustrates that the Bank of England operates more efficiently than the ECB, whilst Britain's rules for budgetary policy generate greater economic welfare than the GSP.

It is no accident that the UK enjoyed the fastest growth rate of any G7 country last year, nor that it possessed a claimant count unemployment under one million. Interest rates were cut swiftly and decisively after September 11th, as public expenditure rises simultaneously boosted growth when other parts of the economy were flagging.

The issue of public expenditure is pivotal. Labour's central pledge to the voters at the 2001 general election was to deliver more, higher quality collective services. However, joining the euro and submitting to the GSP would entail cuts in expenditure due to different definitions of budgetary 'balance'. Moreover, manipulating the pound down to a euro-level acceptable to UK exporters would require a loosening of monetary policy when demand is strong. Inflationary pressure will subsequently be absorbed through higher taxes, reductions in public expenditure, or both. The two British Chancellors who have had to live under the GSP, Kenneth Clarke and Gordon Brown, have faced the need to reconcile four seemingly incompatible constraints: to meet the GSP criteria: to accommodate the electorate's desire for higher quality public services; to avoid unpopular tax increases; and to respond to the impact of global fiscal competition in limiting governments' ability to levy certain forms of taxation. Clarke eventually raised taxes whilst moderating the growth in collective expenditure, thus alienating Conservative and Labour voters alike. Adherence to the GSP tied Brown to Clarke's spending plans during his first years in office, yet it simultaneously induced him to push through a number of 'stealth' taxes.

The Blair Government appears to be so emotionally committed to greater EU integration that it is willing to sacrifice its traditional base of support. Thus Brown's embrace of Public-Private Partnerships (PPPs) is a way of shifting public expenditure from the government's balance sheet. The idea is to placate the electorate by increasing investment on infrastructure projects without raising current spending, thereby avoiding any breach of the GSP. However, this approach is generating conflict with the trade unions and the left, who view PPPs as back-door privatisation creating a two-tier workforce.

Britain's inability to decide unilaterally its own levels of taxation and public expenditure presents eurorealists with a golden opportunity. By exposing the undemocratic nature of the GSP, which directly constrains spending on popular welfare programmes, Labour voters fearful of the economic and social consequences of euro entry for employment, mortgages and public services can be recruited to the 'No' side of the debate.

Public opinion, which manacled the first Blair administration so that no referendum was held, can do the same during the current Parliament. Or, should Tony Blair risk the electorate's verdict, the 'No' campaign can win the argument and the vote, by broadening rather than narrowing its appeal. Member states of the eurozone are compelled to avoid 'excessive' deficits under treaty obligations, whereas opt-out countries such as Britain are merely obliged 'to endeavour' to prevent such deficits. This difference gives British governments far greater scope to meet citizens' needs and to frame policies which pursue economic growth and job creation as well as control of inflation.

At the moment Brussels possesses no power to force a change in UK tax and spending policies. It would possess such powers if Britain joined the single currency. Consequently, the recent budget disputes in the EU constitute a timely reminder that monetary union exacts a heavy price. They provide a further, substantive reason why Britain should maintain its current favourable position outside the euro on principle and vote 'No' to euro entry in any future referendum.

1 Table C5, Financial Statement and Report, HMT, March 2001

2 Treasury response to EU attack on UK public spending 30th March 2002

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… news in brief

Czechs threaten to withdraw from EU accession process

Pavel Telicka, the chief Czech negotiator with the European Union, told the BBC on 13th May that he does not rule out Prague discontinuing negotiations over accession if Brussels does not change its position over agricultural subsidies. Telicka said that the EU's proposal to pay out to new member states just 25% of the agricultural subsidies granted to current members was discriminatory. He also said that the Foreign Ministry has prepared a comprehensive report, with recommendations pertaining to the negotiations, for the government that will take over after the June parliamentary elections. [*Radio Free Europe Newsline,* 14th May 2002]

Anglosphere: Coming Soon, Euro-Le Penisme

by James Bennett

When Le Pen walked onto the floor of the European Parliament after winning the first round of the French Presidential election, the scene epitomised the coming political battle of the European Continent: *"Le Penisme"* versus *"Euro-Le Penisme"*. Chris Patten, the British europhile-turned-eurocrat, was bloviating on the floor when Jean-Marie Le Pen, the insurgent French populist-nationalist, entered the chamber. Patten interrupted his oration to comment that coming his way was *"one of the less agreeable aspects of European civilisation"*.

Patten is often given to interesting turns of phrase – he recently described Margaret Thatcher as *"Richard Perle with knobs on"*. But it was one particular phrase here that was so telling. Of course it is valid to speak of a European civilisation, in the sense of a set of related cultures stemming from Latin Christendom and sharing the common experiences of the Industrial Revolution, the nationalist and democratic revolutions, and subsequent common events.

Patten was using a newer and different definition. His *"European civilisation"* is a synthetic construct floated by the European Union and certain sets of europhile intellectuals. What is absurd is the way in which *"European civilisation"* is defined to fit geographical coincidence and political convenience.

This new *"European civilisation"* lumps together nations with substantially different historical traditions and sensibilities. It lumps together the Catholic South and the Protestant North; the Latin West, and, with Greece and soon Eastern Europe, the Orthodox East. It lumps together the Common Law Britain and Ireland with the Civil Law Continent.

At the same time it splits Latin and Catholic Spain and Italy from Argentina and Chile. It splits English-speaking, Common Law Britain and Ireland from America, Canada, and Australia. It splits Orthodox Greece from Russia. It will split the Turkish Muslims of Cyprus from the Turkish Muslims of Turkey.

In short, this conceptualisation of *"European civilisation"* defies any logic of cultural or civilisational taxonomy. It is as absurd a category as the *"Moldavian"* language invented by Stalin's linguists to justify stealing Bessarabia from Romania, and just as blatantly political a construct.

The political purpose of the synthetic concept of *"European civilisation"* is obvious. It is a response to the failure of the eurocratic elite to find any kind of socio-political glue to hold their creation together.

Originally, the European project had two forms of push and one form of pull. The pull was the economic advantages of wider markets and cross-border integration; the push was the twin fears of relapse into intra-European wars, and invasion from the Soviet East. Today the former fear has become distant. The latter fear served well until the fall of the Berlin Wall.

That left nothing but economic rationalism as an argument for European unification. Economic self-interest is seldom a sufficiently strong glue to hold together a polity, and Continental Europe is no longer the dynamic economic force it was when honing Industrial Age techniques was the order of the day. United Europe does not have the *"mystic cords of memory"* Lincoln evoked; rather, they belong to the nation-states whose strongest myths, narratives, and memories must be suppressed for the sake of Europeanism.

What Le Pen and other Continental ultras have demonstrated is that an appeal to the old nationalist narratives has more resonance with many voters than bland and increasingly unconvincing Europeanism.

The Le Pens of Europe, however, have few if any workable solutions to the problems on which they feed. If the Le Pen agenda of protectionism and national regulation were to be implemented, the unemployment problems would grow worse instead of better, aggravating, rather than alleviating, ethnic and racial strife.

Once the euro-elites recognize they have a problem, it is likely they will search for stronger social glue to hold together their Union. They could, of course, resolve their structural problems and loosen their centralist grip, opening themselves to the world and balancing their Continental ties with the external ties many of their members have had to sacrifice for Europeanism. But that would contradict fifty years of centralizing ideology.

Rather, having found the pull of economic rationalism insufficient, they will start looking for pushes. The most readily available push is fear of enemies, internal and external.

The greatest danger with Europe is not from the little Le Pens seeking to return to inward-looking national protectionism and hatred of foreigners. It is from Eurocrats seeking to construct a grand Euro-Le Penisme of inward-looking continental protectionism and contempt for non-'Europeans', in the sense of the *"European civilisation"* Patten and others seem to be trying to define.

Americans need to stop deceiving themselves. Fifty years of enthusiasm for European unification in the US foreign policy have created not the allied bulwark they hoped for, but a rival power with incentives to sharpen that rivalry.

The US should look to the few genuinely pro-American forces in Europe, particularly the British and Irish Atlanticists, and work to short-circuit the incentive systems driving Europe to increasing centralism and anti-Americanism. In this, they may find allies among the Eastern European states, should the EU ever admit them, which for historical reasons have reasons to fear centralising unions, suspect German ambitions, and think better of America.

It is no coincidence that the principal eurosceptics among British political and press voices tend to be pro-American and pro-Israel as well. Le Pen and many other Continental eurosceptics are also anti-American, a position only found in Britain among the miniscule fascist British National movement. It is British europhiles who tend to be the anti-Americans.

Reviving intra-Anglosphere ties is one of the best ways of reaching out to those friendly forces and deterring further deterioration in Europe. Such ties make a good litmus test of European openness. A Europe loose enough to accommodate special ties between the European Anglosphere and the rest of the English-speaking world is a Europe loose enough to be open to the world. Such an open Europe is also one less likely to fall victim to either the little nationalism of Le Pen or the Euro-nationalism of the Eurocratic elites.

James Bennett writes for UPI.

Historical Revisionism and Europe's Axis of Political Evil

by Miloslav Bednář

The magnificent events of 1989 have left dark forces in their wake. One of them is a continuous and influential effort by the defeated enemies of World War II to revise history. Their goal is to overturn the post-war order following the removal of the United States from Europe.

Can things really be so serious? Unfortunately they are. The Balkan wars are only now drawing to a close after ten years: are we to believe naively that they were just the last agony of the bloody 20th century, or should we be asking which countries caused the outbreak of that war in the first place? What fashionable post-Marxist opinion-makers refer to as an outbreak of nationalist barbarity was in fact the product of traditional German and Austrian foreign policy. Germany forced the European Union to recognise the secession of Croatia and Slovenia from Yugoslavia, without those countries having first given any guarantees to respect minority rights within their borders. What could be the motive behind such a preposterous and counter-productive foreign policy? One can discern only the political determination of both German states (Germany and Austria) to revise the World War I and World War II settlements. It is unfortunate that this is no exaggerated conspiracy theory.

As the 21st century dawns, what we are witnessing is nothing less than a spectacular attempt to put into practice something which most observers would have thought quite impossible.

As the 21st century dawns, what we are witnessing is nothing less than a spectacular attempt to put into practice something which most observers would have thought quite impossible, namely a long and stubbornly-pursued scheme to revise the European history of the 20th century. As has historically been the case, independent and democratic Czech statehood, as an organic component of international law, is the first obstacle this sinister plan encounters. Yet today, in Germany, Austria and Hungary, demands are being voiced with increasing vehemence for the Czech Republic to abolish her post-war laws, known as the Beneš decrees. These laws implemented the agreement reached in the Potsdam Treaty, which ended the Second World War, to transfer the bulk of the German minority in the then Czechoslovakia into allied occupation zones in Germany and Austria.

At the beginning of March 2002, the Austrian Chancellor, Wolfgang Schüssel, the Bavarian Prime Minister and candidate for the post of German Chancellor in this year's elections, Edmund Stoiber, as well as the Hungarian Prime Minister, Viktor Orbán, all publicly demanded that the Czech Republic rescind these laws as a pre-condition for entering the European Union. Moreover, the (German) EU commissar for enlargement, Günther Verheugen, told the European Parliament that the Czech Republic was going to examine whether the laws known as Beneš decrees were compatible with EU law and that he had undertaken to abrogate them if he found they were not.

The European Commission thinks that it has the right to usurp the freedom of candidate states to make their own laws.

The Czech Prime Minister, Miloš Zeman, immediately rejected Mr Verheugen's statements as *"obviously untrue"*, adding that: *"the Czech Republic is a sovereign state with a government of which Mr Verheugen is not a member."* Verheugen responded by saying that the EU Commission's wishes had to be respected – even though the Czech Republic is not even an EU member state! As he bluntly put it, the Beneš decrees contradicted EU law and, as such, they were *"obsolete"*. So the European Commission thinks that it has the right to usurp the freedom of candidate states to make their own laws.

It was in this worsening atmosphere at the heart of Europe that I attended a meeting in Berlin organised by the Co-ordinating Council of the Czech-German discussion forum, as a delegate of the Civic Democratic Party chaired by Václav Klaus. The purpose of the meeting was to commemorate the fifth anniversary of the German-Czech joint declaration, a document that attempted to find common ground on the historical disputes between Germany and the Czech Republic. The conference took place on 8 March 2002 in the largest hall of the German Foreign Ministry, which bears the revealing name of *Weltsaal* – World Room. Originally the building had housed the Nazi German State Bank; after the war it became the home of the Central Committee of the ruling East German Communist Party (SED).

Having in mind the deteriorating Central European political climate, and especially the impact of this on the foundations of the post-war settlement in Central Europe and the continent's gradual democratic reconstruction, I decided to speak in favour of the reasons why the Czech-German Declaration had come into being in the first place. I felt this need more urgently because the essence of that Declaration was now under attack, in the sense that it contains a commitment not to allow the past to burden present relations between the Czech Republic and Germany. By the same token, I was ready to condemn sharply the unacceptable political pressure being exerted on the Czech Republic by Germany, Austria and Hungary, pressure which was accompanied by a concerted and massive media campaign.

In order to emphasise the gravity of the danger of the foreign policy of these three central European countries jeopardising the foundations of European democratic civilisation, I began by reminding the conference of what President George W. Bush said about the global axis of evil. I mentioned the difference between the attacks by global terrorism on democratic world civilisation, on the one hand, and the danger currently faced by democracy in Central Europe on the other. But I explicitly referred to the existence of a political axis of evil uniting Munich, Vienna and Budapest.

I stressed that the attempts by this axis to revise the past, and to target the Czech Republic and the foundations of post-war European peace, were nothing new. Hitler had begun his campaign to overturn the Versailles settlement in Czechoslovakia: this is what caused the Second World War.

The recent civil wars in the Balkans were destroying a product of the Versailles Treaty.

The recent civil wars in the Balkans were also destroying a product of the same Versailles Treaty. I said that an important obstacle on this road of historical revisionism was the Czech–German Declaration. In this context, I emphasised the proposal made by the President of the Czech Chamber of Deputies, Václav Klaus, to add to the Czech Republic's treaty of accession to the EU a specific clause ruling out any retroactive demands by EU member states on the Czech Republic. In conclusion, I mentioned the Allied statements from 1996, made while the text of the German–Czech Declaration was being drawn up, in which the powers that signed the Potsdam Treaty reconfirmed their support for the decision taken in Article XIII of Potsdam to transfer the German population out of Czechoslovakia.

Some demanded an immediate public retraction of my reference to the axis of evil.

I was prepared for the fact that some participants would not applaud me. As I began to speak, some of the participants, including German Members of Parliament from Bavaria, actually tried to interrupt me with hateful and furious shouting. They banged their fists on the magnificent oval table of the *Weltsaal*. When I finished, there was absolute silence for a while. Then some of my Czech and German opponents spoke vehemently, condemning my attitude in the strongest terms. Some demanded an immediate public retraction of my reference to the axis of evil. Since I could not be sure that there had not been a misunderstanding, I said, *"My presentation did not express, and was not intended to express, any identity with the global axis of evil. Instead, the purpose was to express my gravest concern about any possible undermining of the foundations of post-war democratic peace, gradual European integration and the Czech–German relationship. If I caused by my statement any other impression in some of you, then I sincerely apologise."*

During the rest of the conference, some German and Czech participants expressed their sympathies with my initial statement. However, the German, Czech, Austrian and Hungarian media, as well as CNN and some Czech newspapers, reacted to my statement in the same way as my furious opponents. (The chief editor of the *Frankfurter Allgemeine Zeitung* was also present at the conference, where he compared the Potsdam treaty of 1945 to the Munich agreement of 1938.)

As a result of all this, my warning in Berlin against the Central European Axis of Evil was listened to in earnest in Czech, German and Austrian political circles, as well as in the wider world. It may also have contributed to the clear statement made by the British Prime Minister, Tony Blair, when he arrived in Prague directly from his meeting with President Bush in Texas on 8th April, in which he clearly supported the post-war Czech legislation passed in the wake of Potsdam. It was not long before this produced a shameful reaction. On 10th April, both the German CSU/CDU and the Union of German Expellees issued a sharp condemnation of the British Government's position. Mr Verheugen came to Prague shortly after Mr Blair and, speaking on behalf of the European Commission, seemed to support what Mr Blair had said.

On the other hand, Mr Verheugen was not speaking for either the European Parliament or the European Court of Justice. But he did distance himself from what the European axis of evil – or, to use the term coined by a political scientist friend of mine, the axis of hatred – did. The Axis briskly rejected what Verheugen had said. On 12th April, Johann Böhm, who is both the President of the Bavarian parliament and also the highest representative of the Sudeten German movement, issued a statement condemning Verheugen in conjunction with the notoriously militant President of the Union of Expellees, Erika Steinbach. From Vienna, the riposte came in two stages. First, the Parliamentary Speaker of the ruling Austrian People's Party, Andreas Khol, issued a three-part ultimatum, also on 12th April. He said that the Czech republic should (1) collect finances for a compensation fund for those Germans (now Austrians) who were transferred out of Czechoslovakia; (2) that it should rescind the *"discriminatory anti-Austrian parts of the Beneš decrees"* and (3) that it should make a declaration condemning those parts of the decrees as *"quite wrong"*.

The old demarcation lines of Europe seem to have been restored.

Meanwhile, the Speaker of the fascistic Freedom Party, Peter Westenthaler, issued a news release in support of this statement. On 13 April, the Austrian Foreign Minister, Mrs Benita Ferrero-Waldner, solemnly repeated the terms of this ultimatum as a pre-condition for Czech EU membership in an interview on Austrian television. On this great day for Austrian politics, the Parliamentary Speaker of the Social Democratic Party also quickly supported the government's position. The Hungarian part of the Axis was too busy with its election campaign, and may have been a little scared by the joint Czech–Slovak–Polish rejection of Prime Minister Orbán's post-war revisionist schemes. Thus, the old demarcation lines of Europe seem to have been restored.

In sum the reasons for the Czech Republic to join the EU are weakening rapidly. No one, including Mr Verheugen, can guarantee that the EU will not become an instrument in the hands of those member states who have long cherished their desire to reverse the basis of Europe's post-war peace. Even though it is on this that the whole process of European integration is based. Those criticisms of the EU, which draw attention to its undemocratic nature and to the way it limits the influence of small member states, may gain ground now, supported as they are by grave strategic concerns about this sinister revival of the European Axis of political evil.

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BRUSSELSBOURGER

Out of the Mouths

The 'Future of Europe' Convention still looms large in Brussels and Strasbourg despite the fact it has yet to register in the UK. One initiative designed to increase the profile and legitimacy of the proceedings is the creation of a Youth Convention, described by the Chairman of the Convention Valéry Giscard d'Estaing as "*the daughter of our Convention*". Welcoming the announcement of the Youth Convention, Conservative representative Timothy Kirkhope, MEP, asked whether the establishment of an Older Peoples' Convention should also be considered. Giscard, a veteran of the Second World War, President of the French Republic (1974–81) and 76-year-old elder statesman, smiled weakly before announcing the next speaker.

The Youth Convention will comprise of 210 young people aged between 18 and 25 and will take place from 9 to 14 July at the European Parliament in Brussels. Each of the 28 countries taking part in the Convention will send 6 representatives selected on a national basis (a total of 168 places). In the UK, it is likely that there will be a representative for each of the three main parties with the three other places going to the winning entries of a national competition on how to make the EU more attractive and relevant to young people.

The remaining 42 places on the Youth Convention will be selected on a European basis. Members of the European Parliament on the Convention are likely to allocate their 32 places on a dual basis: two-thirds from applications from European Youth Organisations and one-third from an internet-based competition. It has not yet been announced how the Commission, Chairman and Vice-Chairmen will select their representatives.

Giscard has said, "*We want to hear the real voice of young people of Europe, whatever message they want to send to us.*" What message is the Convention likely to hear from the young people currently involved in European politics?

Christian Democrats

The Young European People's Party is the youth wing of the Christian Democratic European People's Party (EPP) which, together with the Conservative European Democrats (ED), forms the largest group in the European Parliament, the EPP-ED. Mirroring this situation, Conservative Future is not affiliated to the YEPP whose Basic Values and Principles state: "*For us there is no alternative to European integration.*" The description in their *Yearbook 2001* of the Irish 'No' to the Nice Treaty as "*a black day for European Integration*" is also quite revealing. (Website: www.yepp.org)

Socialists

Both Labour Students and Young Labour are full members of the European Community Organisation of Socialist Youth, who have a crossed hammer and spanner as an emblem on the internet. ECOSY wish "*to build a Europe based on a clear federalist political project*". One of the resolutions from their Fifth Congress in Vienna last year states: "*ECOSY is extremely worried about the sudden rise in aggression in US foreign policy since George W. Bush has taken office and the involvement of the UK.*" Millbank should take note. (Website: www.ecosy.org)

Liberals

The UK branch of the Liberal and Radical Youth Movement of the European Union are the Liberal Democrats Youth and Students. Does LYMEC favour a European Federation? "*Yes indeed,*" says their website. "*LYMEC believes in a federal Europe.*" They also believe the EU should be reformed "*in a more supranational way,*" that "*a constitutionalised federal structure*" should be established, and that the European Commission "*should become the European 'government'*". (Website: www.lymec.org)

Federalists

One thing the Young European Federalists cannot be accused of is being 'Little Europeans' because the "*aims of JEF are to work for the creation of a European Federation, first step towards peace and World Federation.*" Although they are not affiliated to any particular political party, they are thought to be the unofficial youth wing of the Bilderbergers.

Age Shall Not Weary Them

Shortly before the April plenary session of the Convention, the YEPP contacted delegates urging them to make exceptions to the age limit of 25 years old for the Youth Convention. "*It's our common point of view – and our common experience – that active young people with rich experience from responsible positions are mostly older than 25 years,*" they wrote. "*We therefore propose to the Convention to agree on the age limit 18 to 25 as a recommendation but make exceptions possible with regard to the experience and position of candidates.*" In light of this letter, it is interesting to note that of the 18 people on the board of the YEPP only one is younger than 25.

Talking Tough

It is not often that the British Parliament and the European Union institutions debate separate pieces of legislation on the same policy area in the same week, but it happened at the end of April. On Wednesday 24 April, David Blunkett introduced the *Nationality, Immigration and Asylum Bill* in the House of Commons; the following day, proposals for "*minimum standards on the reception of applicants for asylum in Member States*" were endorsed by Socialist and Liberal MEPs; and on Friday 26 April the directive was approved by Justice and Home Affairs ministers meeting in Luxembourg. Are the two pieces of legislation compatible? No.

The most controversial aspect of the Asylum Bill concerns the education of asylum seekers' children and the Home Secretary's promise to stop them "*swamping*" schools. "*A child who is a resident of an accommodation centre may not be admitted to a maintained school or a maintained nursery school*" (part 2, section 30, paragraph 3). The EU proposals, however, oblige the Government to "*ensure that minor children of applicants for asylum and applicants for asylum who are minors have access to the education system under the same conditions as nationals*" (article 12, paragraph 1, subparagraph 1). Is this a case of the Labour Party saying one thing in the UK and doing another in the EU?

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The Nation, State Sovereignty and the EU… Some Democratic Principles

by Anthony Coughlan

Nations and nation states make up the international community. The trends constituting 'globalisation' and the supranationalism of the European Union affect the environment of nation states, but do not make them out-of-date. Nationhood, shared membership of a national community, is the normal basis of democratic states in the modern world. This is shown by the advent of many new nation states to the international community since 1989, and the likely advent of many more in coming decades. The following democratic principles are proposed as fruitful ways of approaching questions of nationality, state sovereignty and the European Union.

1 Internationalism, not nationalism, is the primary category

We are internationalists on the basis of our solidarity as members of the human race. As internationalists we seek the emancipation of mankind. The human race is divided into nations. Therefore we stand for the self-determination of nations.

The right of nations to self-determination was the basis of the 18th century American Revolution. It was formally proclaimed in 1789 in the Declaration of the Rights of Man of the French Revolution. It is now a basic principle of international law, enshrined in the United Nations Charter. As democrats and internationalists we assert the right of those nations that wish it to have their independence, sovereignty and a nation state of their own, so that they may relate to one another internationally on the basis of equal rights with other nations.

The democratic principle of internationalism does not mean that we are called upon to urge people of other nations to assert their right to self-determination; but that we respect their wishes and show solidarity with them if they decide to do that. It is as true of the life of nations as of individuals that separation, mutual recognition of boundaries, and mutual respect – i.e. political equality, neither dominance nor submission – are the pre-requisite of free and friendly co-operation, of internationalism in other words. Good fences make good neighbours.

2 Nations and nationality come before nationalisms and nation states

Nations exist as communities before nationalisms and nation states. To analyse nations and the national question in terms of 'nationalisms' is philosophical idealism, looking at the mental reflection rather than the thing it reflects. Nations evolve historically as stable, long-lasting communities of people, sharing a common language and territory and the common culture and history that arise from that. On this basis develop the solidarities, mutual identification and mutual interests that distinguish a people from its neighbours.

Some nations are ancient, some young, some in process of being formed. Like all human groups – for example the family, clan, tribe – they are fuzzy at the edges. No neat definition will encompass all cases. The empirical test is to ask people themselves. If they have passed beyond the stage of kinship society, where the political unit is the clan or tribe, people will invariably know what nation they belong to. That is the political and democratic test too. If enough people in a nation wish to establish their own independent state, they should have it. For democracy can exist normally only at the level of the national community and the nation state. The reason is that it is within the national community alone that there exists sufficient solidarity, mutual identification and mutuality of interest among people as to induce minorities freely to consent to majority rule, and obey a common government based upon that. Such solidarity is the basis of shared citizenship. It underpins a people's allegiance to a government as 'their' government, and their willingness to finance that government's tax and income-transfer system, thereby tying the richer and poorer regions and social classes of particular nation states together.

The solidarities that exist within nations do not exist between nations, although other solidarities may exist, international solidarity, which becomes more important with time, as modern communications, trade, capital movements and common environmental problems link all nations together in international interdependence as part of today's 'global village'.

3 Mankind is still at the relatively early stage of the formation of nation states, as the democratic principle of the French revolution – the right of nations to self-determination – works itself out in history

Fewer than a dozen contemporary nation states are more than a few centuries old. The number of states in the United Nations has grown from fewer than 60 in 1946 to nearly 200 today. The number of European states has grown from 30 to 50 since 1989. This process is not ended even in Western Europe, where people have been at the business of nation state formation for centuries. It is still ongoing in Eastern Europe. It has scarcely begun in Africa and Asia, where the bulk of mankind lives, where most people still form part of clan-tribal societies, and where state boundaries were drawn by the colonial powers after World War II, with little consideration for the wishes of indigenous peoples.

There are some 6000 distinct languages in the world. At their present rate of disappearance there should still be 600 or so left in a century's time. These will survive because in each case they are spoken by several million people. There clearly are many embryonic nations. There are also long-established nations without nation states, which have a national identity but no independence.

A nation can keep its identity in servitude as well as freedom. Many new nation states, probably a couple of hundred or more, are likely to come into being during the twenty-first century. They will thereby acquire those two classical pillars of independent statehood, the sword and the currency – the monopoly of legal force over a territory and the monopoly of the issue of legal tender for that territory. A world of several hundred nation states will also be a world of several hundred national currencies.

4 Multinational states, whether federal or unitary, must respect the right to self-determination of the nations composing them, if they are to be stable and endure

The right to self-determination of nations does not require that a nation must seek to establish a separate state. Nations can co-exist amicably with other nations inside a multinational state, as for example, the English, Welsh and Scots do within the British state. But they can do so only if their national rights are respected and the smaller nations do not feel oppressed by the larger ones, especially linguistically and culturally. If that condition breaks down, political pressures are likely to develop to break-up the multinational state in question.

The historical tendency seems to be for multinational states to give way to national ones, mainly because of the breakdown in solidarity between their component nations and the development of a feeling among the smaller ones that they are being put upon by the larger. Shared civic nationality is the political basis of multinational states, shared ethnic nationality the political basis of nation states. In both cases, if the state is a democratic one, all citizens will be equal before the law and the rights of minority nationalities in multinational states and of national minorities in nation states, will be equally respected.

Historically, multinational federal states are all twentieth century creations – the USSR, the Russian Federation, Czechoslovakia, Yugoslavia, India, Pakistan, Nigeria, Malaysia etc. Several have lacked, or lack, the stability and popular legitimacy that comes from centuries of tradition. Some have already dissolved, others may do so in time, as various peoples within them assert their right to national independence.

5 The European Union is fundamentally undemocratic and can not be democratised

It is the absence at the level of the European Union of anything like the underlying national solidarity which binds Europe's nation states together that makes the EU project, and especially the euro-currency scheme, so problematic and therefore unlikely to endure. The EU is a creation of powerful political, economic and bureaucratic elites, without popular legitimacy and authority, and is therefore fundamentally undemocratic. There is no European 'demos', no European people, bound together by solidarities like those that bind nations and nation states. Rather, the EU is made up of Western Europe's several nations and peoples.

Every nation state is both a monetary union and fiscal union. As a monetary union it has its own currency, and with that the capacity to control either the domestic price of that currency, the rate of interest, or its external price, the rate of exchange. As a fiscal union it has its own taxation, social service and public spending system. By virtue of citizens paying common taxes to a common government in order to finance common public spending programmes throughout the territory of a state, there are automatic transfers from the richer regions and social classes of each country to the poorer regions and classes. This sustains and is sustained by a shared national solidarity. By contrast, the euro-currency project (EMU/Economic and Monetary Union) means a monetary union but not a fiscal union.

Never in history has there been a lasting monetary union that was not also a fiscal union and political union, in other words a fully-fledged state, deriving its legitimacy from a common government and shared national solidarity, which in turn underpinned a common fiscal transfer system. The euro-currency scheme deprives the less developed EU states and the weaker EU economies of the right to maintain their competitiveness or to compensate for their lower productivity, poorer resource endowment or differential economic shocks, by adopting an exchange rate or interest rate that suits their special circumstances. But it does not compensate them for this loss by the automatic transfer of resources that is entailed by membership of a fiscal union. Compensatory fiscal transfers at EU level to the extent required to give the Monetary Union long-run viability are impossible, in view of the amount of resources required and the unwillingness of the richer countries to provide them to the poorer because of the absence of shared national solidarity that would impel that. At present expenditure by Brussels in any one year amounts to less than 1.3% of EU annual Gross Domestic Product, a tiny relative figure, whereas nation state expenditure on public transfers is normally between 35–50% of annual national products. In other words, the solidarity that would sustain an EU fiscal union and an EU multinational state does not and cannot exist.

Democratising the EU without a European 'demos' is impossible. The EU's adoption of such traditional symbols of national statehood as an EU flag, EU anthem, EU passport, EU car number plates, EU Olympic games, EU youth orchestra, EU history books, EU citizenship etc, are so many doomed attempts to manufacture a European 'demos' artificially, and with it a bogus EU 'nation' and supranational EU 'national consciousness'. They leave the peoples of Europe indifferent, whose allegiance remains with their own countries and nation states.

The more European integration is pushed ahead and the more the national democracy of the EU member states is undermined, the more the EU loses legitimacy and authority. Consequently the greater and more inevitable the eventual popular reaction against it. To align oneself with such a misguided, inevitably doomed project is to be out of tune with history. It is to side with a supranational elite against the democracy of one's own people, to spurn genuine internationalism for the intoxication of building a Superpower.

6 Respect for state sovereignty is a fundamental democratic principle and the cornerstone of international law

Insistence on the sovereignty of one's own state is a natural right as well as a social duty. It is in no way an expression of misguided national egotism. Sovereignty has nothing to do with autarchy or economic self-sufficiency.

The national sovereignty of a democratic state is analogous to the freedom and autonomy of the individual. It means that one's domestic laws and foreign relations are exclusively decided by one's own parliament and government, which are elected by and responsible to one's own people. State sovereignty is a result of advancing political culture and is an achievement of modern democracy. It is not an end in itself but is an instrument of juridical independence, determining the possibility of a people who inhabit a particular territory deciding its own destiny and way of life in accordance with its own needs, interests, genius and traditions. It is the opposite of every kind of subordination to foreign rule. Without sovereignty a nations' politics become provincial, dealing only with marginal and

unimportant issues. Maintaining state sovereignty alone guarantees the political independence of a nation and creates conditions for its members to continue to assert their right to self-determination. The sovereignty of a democratic state means at the same time the sovereignty of its people. The end of the sovereignty of a state is at the same time the end of the sovereignty of its people. The sovereignty of a state and of its people is democratically inalienable. No government, no parliamentary majority, has the right to alienate it, for they have no right to deprive future generations of the possibility of choosing their own way of life. Therefore the only mode of international co-operation acceptable to democrats is one that will not demand of a state the sacrifice of its sovereignty. That makes possible the free cooperation of free peoples united in sovereign states on the basis of juridical equality, which is fundamental to a stable international order.

7 The EU's concept of 'pooling sovereignty' is a propaganda cover for domination by others and the effective rule of the bigger EU states

Concepts of 'shared sovereignty', 'pooled sovereignty' and 'joint national sovereignties' are covers for having one's laws and policies decided by European Union bodies one does not elect, which are not responsible to one's own people and which can have significantly different interests from them. In the EU it is impossible for a single country or people to make or change a single European law. In practice countries and peoples which surrender their sovereignty to the EU become ever more subject to laws and policies that serve the interests of others, and in particular the bigger EU states. The claim that if a nation or state surrenders its sovereignty to the EU, it merely exchanges the sovereignty of a small state for participation in decision-making in a larger supranational EU, is simply untrue.

The reality is different. The EU continually reduces the influence of smaller states in decision-making by limiting or abolishing national veto powers. Even if bigger states similarly divest themselves of formal veto power, their political and economic weight ensures that they can get their way in matters that are decisive to them. Equally false is the statement that membership of new states in the European Union and their surrender of sovereignty to the EU would increase their sovereignty in practice. The nation which gives up its sovereignty or is deprived of it, ceases to be an independent subject of international politics. It becomes more like a province than a nation. It is no longer able to decide even its own domestic affairs. It literally puts its existence at the mercy of those who are not its citizens, who have taken its sovereignty into their hands and who decide the policies of the larger body. In the European Union the big states, in particular the Franco–German axis, decide fundamental policy. Juridically EU integration is an attempt to undo the democratic heritage of the French Revolution, the right of nations and peoples to self-determination. Its fundamentally undemocratic character makes the EU a project that is historically doomed and that must inevitably disintegrate.

8 Democracy means rights of equality, which people agree to accord one another and which the state recognises

Democrats acknowledge the possession of equal rights by all citizens of a state, as well as equality of rights between people of different sex, race, religion, age and nationality. Ethnic minorities too should have their rights protected within a democratic state. Majority rights and minority rights are different from one another, but are not in principle incompatible.

The struggle against racism, sexism, ageism and national oppression are all democratic questions. By contrast, the traditional issues that divide political Right and Left, proponents of capitalism and socialism, are concerned with inequality – in ownership and control of society's productive forces, in power, possessions, income and social function.

The mass democracy that historically was first achieved under capitalism serves to legitimate and make more tolerable the inequalities of power, wealth and income that exist under capitalism. Traditional Left-wing thought contends that capitalism creates the material conditions for the application of the principle of democracy to the economic sphere, as liberalism, the social market, social democracy or socialism.

9 Globalisation changes the environment of the nation state, but does not make it out of date. Internationalism, not globalization, is the way to a humane future

The notion that 'globalisation' makes the nation state out of date is an ideological one. Globalisation can be at once a description of fact and an ideology, a mixture of 'is' and 'ought'. It refers to significant trends in the contemporary world – the internet, ease of travel, free trade, free movement of capital. The effect of these on the sovereignty of states is often exaggerated.

States have always been interdependent to some extent. There was relatively more globalisation, in the sense of freer movement of labour, capital and trade, in the late 19th century, although the volumes involved were much smaller than today. In those days also most states were on the gold standard, a form of international money. Modern states do more for their citizens, are expected by them to do more, and impinge more intimately on peoples' lives, than at any time in history, most obviously in redistributing the national income and providing public services.

Globalisation refers to new constraints on modern states, but constraints there always have been. States adapt to such changes, but they do not cause nation states to disappear or become less important.

Globalisation can also refer to the ideological interests of transnational capital, which wishes to be free of state control on capital movements and seeks minimal social constraints on the private interests that possess it.

The relation of transnational capital to sovereign states is often ambiguous. On the one hand it may seek to erode the sovereignty of states in order to lessen their ability to impose constraints on private profitability. On the other hand it looks to its own state, where the bulk of its ownership is usually concentrated, to defend its economic and political interests internationally.

10 People on the political Right and Left have an objective common interest in the establishment and maintenance of state sovereignty and in upholding national democracy

The political Right wish the state to legislate right-wing measures, the political Left seek left-wing ones; but neither can get their wishes unless they are citizens of an independent state with the relevant legislative power and competence in the first place. Likewise within each state different social interests align themselves for and against

the maintenance of state sovereignty, seeking either to uphold or to undermine national democracy.

This is the central theme of the politics of our time. That is why democrats in every country today, whether on the political Right or Left, potentially form part of an international movement in defence of the nation state and national democracy.

11 States have the right to protect their civic or ethnic cohesiveness by controlling immigration, but not at the expense of negatively discriminating against ethnic or national minorities within their borders

There is no natural, human or international law right that entitles people to migrate to live and work in other peoples' countries – apart from political asylum seekers, who do have such rights in natural and international law. At the same time, once people of different national or ethnic origins are domiciled in a country, they have the right to be treated the same as everyone else.

Two different democratic principles are involved in assessing migration policy: the right of national communities to protect their cohesiveness and cultural integrity against the adverse effects of uncontrolled immigration, and the right to equal treatment of all people within a country. It is the confusion of these two principles that makes rational consideration of migration questions often difficult.

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The Concealed Risks of European Integration

by Jirí Weigl

One of the most frequent euro-optimist arguments in pro-European propaganda is the assumption that European integration and the European Union are the right way towards stability. It is said to lead to the ultimate suppression of the old national antagonisms, which led to the disastrous wars of the past century.

In arguing against this largely accepted opinion, I am not going to focus primarily on the fact that the stability of Western Europe in the past half a century was based much more on the overall political situation during the Cold War, the second-rank position of former Western European powers in the bipolar world, and the unequal position of Germany, traumatized by the war defeat and split into two for several decades.

I believe that the reason why nationalism, traditional national antipathies, and divergent national interests have not yet caused much damage to the European integration is that the unification process has only just begun. It is becoming more evident as events progress in both France and Holland. It is obvious that nation states still dominate the EU, retaining the main attributes of their national sovereignty, which throughout centuries no one has questioned. Their citizens take this for granted. Typically, they do not feel threatened by the possible loss of such sovereignty and assent to it being gradually conferred to community institutions. In other words, the European Union has been too loose to engender any significant dangerous nationalist tensions.

For this reason I do not think the problem lies in the history of the EU or in its current situation, but rather in the direction of its future development, which has been silently but clearly determined, i.e. gradual political unification of the Union. This is a necessary precondition for a long-term functioning of such projects as Economic and Monetary Union. The single currency is the first and truly determining step towards the replacement of national sovereignties by a single European one. A single currency entails a highly co-ordinated common economic policy, especially in fiscal matters, which will logically also require political unification. Such is the direction of European integration, whatever the tactical rhetoric of certain politicians may be.

Multinational states have always been victims of escalating national hostilities and conflicts, and engendered the most extreme nationalist ideologies.

Clearly enough, the outcome of European integration is to be a European superstate, a new multinational global power. Its partisans say that such unification will ensure a harmonic and mutually profitable coexistence of different nations in Europe, with the danger of conflicts forever eliminated.

I cannot see any motives for such conviction, since history shows not a single example of a multinational entity that would succeed in achieving these objectives. By contrast, multinational states have always been victims of escalating national hostilities and conflicts, and engendered the most extreme nationalist ideologies.

It is the close cohabitation of different nations with varying traditions and ways of life within one state that makes it possible for nationalism – which, in a nation state, survives only in the form of a half-forgotten, obsolete sentiment – to become again the unifying force, bringing together different partial interests and offering simple solutions to complex problems of the society. No multinational state in modern history has been able to put up with this sort of danger in times of prosperity, much less in the periods of crises and tumult. Even the ethnically diverse EU member states are not exempt from such problems, as we can see from the terrorist actions of the Basque or Irish movements, or from the ethnic tension between Flemings and Walloons in Belgium.

Euro-optimists never mention these dangers. They believe that the emerging European superstate will somehow be immune from the comebacks of nationalism that must logically follow. And they take

this immunity for an already existing and guaranteed fact. But the fact is that there are no guarantees.

On the contrary, it is very likely that instead of the ideal of the United States of America, the new superstate resulting from the project of European integration will much more resemble the former Austria–Hungary. That also was a multinational power, providing its peoples with relative prosperity and security, a large market without internal borders, free movement of goods, capital and persons, not to mention the single currency. From the perspective of the present and without the traditional Czech bias, it was a civilized and cultivated state with a relatively high degree of democracy, unattainable for most countries in later times. In spite of this, all of its nations, including the ruling Germans and Hungarians, came to hate it in the end.

In our ancestors' eyes, the undoubted advantages of the Hapsburg state could not outweigh the wrongs done to their nationalist feelings. The multilingual Austrian Parliament was hopelessly paralyzed by nationalist clashes between the democratically elected representatives of individual nations. The only governments were caretaker cabinets and the role of the absent multinational political consensus was taken over by multinational state bureaucracy. In the end, this state desperately sought a solution in the war. When defeated, its member nations jointly brought it to pieces. It left behind the legacy of national antagonisms, prejudices and theories, which were to lead the world into still worse disasters in the following decades.

We may believe that today's Europe and Europeans are different and that one learns a lot from history; that European mechanisms are quite unique, guaranteeing that nothing of this kind will ever happen again, as, after all, nobody wants it to happen. But this is only a belief. Experience tells us something else – that, unfortunately, people have hardly changed; they tend to believe in simple explanations of their complex problems and are too shortsighted and selfish to listen to any advice.

As a result of this, there are no guarantees whatsoever that the politically integrated European Union will avoid the fate of other multinational entities. We should be aware of this and become justly sceptical. Countries will become mere provinces, instead of sovereign states; the decisions about our life will be quite openly in the hands of other people; the centre of political life will be remote from us. All of these negatives will no doubt have a still more general and significant impact. Preventing this would be a task for a political juggler.

There are no guarantees whatsoever that the politically integrated EU will avoid the fate of other multinational entities.

We won't be alone. Similar feelings will exist in all democratic countries with politicians ready to take them seriously. It will become more and more difficult to find a consensus. Without consensus, however, there is no progress in democracy. What then?

The idea that in future the existing different national identities can be replaced with a common European one is an illusion.

The idea that in future the existing different national identities can be replaced with a common European one is an illusion. No officially promoted internationalist ideology has ever been able to get rid of the dangerous phenomenon of nationalism in multinational states. The idea of a Czechoslovakian nation exacerbated the Slovak nationalism, eventually resulting in the break-up of Czechoslovakia. For seventy years we had heard about the everlasting friendship among the nations of the Soviet Union and their melting into a single Soviet people. The fall of communism disclosed the surprisingly deep and powerful, mutually hostile nationalisms, which dominated the social mentality of the former USSR nations to an ever greater extent. The tragedy of Yugoslavia need hardly be mentioned.

The danger of the artificial efforts to unify Europe is that instead of harmonious coexistence and prosperity of nations, they will let the ancient genie of nationalism come out of the bottle again, bringing Europe back to where it was a hundred years ago. Preventing such a development within the planned European superstate will be extremely difficult and, in the real world of competing interests and priorities, virtually impossible.

In the case of a technical experiment, such as the Temelin nuclear plant, everyone is ready to discuss any maximum risks and demand all preventive measures imaginable in order to avoid a hypothetical accident. If such preventive measures (which in the case of technical experiment are also easy to measure) are not convincing, the public requires that they should not be put into operation.

The interesting thing is that with a huge political experiment, like the project of European unification, which has never been tested, we are told that there are no risks, and therefore no need for prevention; and the project is tacitly being put into full operation. At the same time, we are all asked to believe in its success. Meanwhile, potential risks for the whole population are a thousand times greater than those of Temelin.

The decisions about the future of the European Union therefore entail enormous responsibility. Do we want a superstate in spite of all the risks that it may imply? If not, what will happen to the existing project of European integration?

Do we want a superstate in spite of all the risks that it may imply?

The assumption that a train in motion cannot, or even must not be stopped, is not acceptable. The destination of this train may be something that in heart none of us wants; or we may change our minds during the journey – and the emergency brake is usually an extreme and expensive way of getting off.

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BOOK REVIEW

Building Europe The Cultural Politics of European Integration

by Cris Shore, Routledge, 2000, ISBN 0-415-18014-7 (cloth) 0-415-18015-5 (paper), 258pp, £52.50 cloth, £16.99 paper.

Reviewed by Dr Brian Hindley

"We have made Italy: *now we must make Italians*", said Massimo d'Azeglio, after the political unification of Italy. He sought, in other words, more than the legal forms of a state. He wanted an Italian *nation*, whose citizens took pride in being Italian; who felt linked to one another by their shared nationality; and who would, if necessary, sacrifice something for the good of the nation.

In 2002, Brussels is filled with plump men in expensive suits saying roughly the same thing, except that they talk about 'Europe' and 'Europeans'. In this fine book, Cris Shore deploys his anthropological skills to describe and analyse the attempts of the EU to create a European nation – to make 'Europeans'.

Discussion of 'Europe' and 'Europeans' faces the terminological problem raised by the EU's usurpation of the geographical term 'Europe' to describe its own activities. In what follows, therefore, inverted commas indicate the 'Europe' and the 'Europeans' desired by the EU powers-that-be. Thus, there are many Europeans – persons resident in the geographic area of Europe, but few 'Europeans' – Europeans who feel that the EU represents their interests and wishes, and deserves their allegiance.

Where are the 'Europeans'?

That 'Europeans' are thin on the ground is not disputed even at the highest EU levels. The plump men wring their hands and talk about *"re-connecting with the people"*… It's clever, that *"re"*. It suggests that the people and Brussels used to be connected. Current problems, therefore, should be viewed as a temporary glitch in what is normally a warm and mutually respectful relationship between government and governed. The record, however, suggests otherwise. Some past milestones provide a perspective.

The 'Committee for a People's Europe' is a convenient starting point, if only for the year in which it was established, 1984. Chaired by Pietro Adonnino, an Italian MEP, it issued two reports, and recommended, *inter alia*, the establishment of a Euro-lottery, with prize money denominated in ECU and winners announced throughout the Community. This, it said, apparently not in jest, would *"make Europe come alive for Europeans"*. The Adonnino report was followed in 1988 by a Commission communication on the *"people's Europe,"* which argued that *"action is needed in the cultural sector to make people more aware of their European identity."* The report of the Comité des Sages (sic), chaired by Willy De Clercq, a Belgian MEP and former Commissioner, came in 1993. It noted that European integration was *"a concept based far more on the will of statesmen than on the will of the people,"* and continued *"There is little feeling of belonging to Europe. European identity has not yet been engrained in people's minds."* The report recommended that European governments stop trying to explain the Maastricht Treaty to their publics. *"Treaty texts,"* it said, *"are far too technical and remote from daily life for people to understand."* Instead, governments should present the European Union to the public as *"a good product – with an emphasis on the 'beneficial effects for me'."* In 1995, the Reflection Group commented that *"The Union's principal internal challenge is to reconcile itself with its citizens."* That was also the year in which Jacques Santer, in his inaugural speech as president of the Commission, proclaimed that *"the future of the Community can no longer remain the prerogative of a small band of insiders."* He promised that the Commission would henceforth focus on *"getting closer to the citizen"*. And, latest in a long line, the Laeken Declaration of December 2001 ordains, though without reference to its lengthy ancestry, that *"the European institutions must be brought closer to its citizens."* And so on and so on … so much re-connecting with the people and so much still to do.

The committees that so expensively report on how connection might be achieved labour under a handicap. They invariably pose the issue as that of reconciling the people with the 'Europe' that the powers-that-be want. The committees don't linger over the question of whether the people want that 'Europe', or might be happier with a slower and more relaxed approach to it.

After a couple of decades of committees proposing distractions and add-ons, only the very credulous can believe that a plan of the powers-that-be might change because it's unpopular. Indeed, the committees and the hand-wringing and the talk of re-connecting with the people are best regarded as parts of an emerging Brussels ritual: "the connecting-with-the-people show". The purpose of the show, though, isn't actually to connect or reconnect with anyone. It's to offer the people enough assurance of concern to hold their complaints below the level that would disrupt the current grand plan.

Making 'Europeans'

After the riots in East Germany in 1953, Bertold Brecht is reputed to have said: *"The people has failed the government. The government should now dissolve the people and elect a new one."*

Brussels' response to the shortage of 'Europeans', naturally, is to try to create more of them. A traditional way of cementing national ties is war, and the Commission does offer a tepid anti-Americanism. But it's hard to see transatlantic disputes about trade in bananas and steel as the forge upon which 'Europeans' will be made. So the Commission turns to culture. These efforts provide the core of Shore's book, and he is very good on them.

It's a story with a funny side, though Shore doesn't go out of his way to present it that way. What's ludicrous is the wistful hopefulness of EU officials. They really do seem to have thought that 'Europeans' would follow 'Europe' as mice follow cheese. The metaphor isn't misplaced. Shore describes the underlying official assessment: *"the public's loyalty to the emerging European institutions would grow as each successive step towards political union demonstrated the economic benefits to be gained by further integration. This 'instrumental loyalty', so the*

argument went, would provide sufficient 'permissive consensus' to enable each successive step towards ever-closer union to be implemented. Prosperity and the success of the integration process itself would fuel and legitimise further progress towards, and public acceptance of, political unification." One looks forward to the instruction book and video: *How to make good Europeans*, by a committee of retired EU pay clerks.

Then there's the idea – implicit in two of the quotations above – that Europeans possess a latent 'European' identity. 'Europeans' therefore already exist, even though Europeans don't know it. But, once the Commission finds the right buttons to press, the latent identity will appear and Europeans will turn into 'Europeans' – those of them, at least, that live in the right bits of the continent.

It's a quite imaginative story, really: not a bad candidate for sci-fi film or novel – an entire continent taken over by alien beings hiding in the bodies of everyday European folk. In real life, though, the inept search for the buttons of the Commission spoils the story. It seems to have thought that a European flag, a few passages from Shakespeare and a Schubert song would do the trick.

The notion that bureaucrats might by appropriate reference to European cultural heritage release a 'European' identity that has lain dormant for centuries is silly, not sinister. Yet it opens sinister possibilities.

How do those who have based their policies on the existence of a latent identity react when it stubbornly refuses to appear (as it so far has done)? They're unlikely to abandon the whole notion. Maybe they'll conclude that more buttons need to be pressed: so we'll have more marching bands dressed in blue and festooned with yellow stars. More likely, though, these disappointed bureaucrats will conclude that Europeans are trapped in a *"false consciousness"*, which, being false, should be ignored in the making of policy. They'll conclude, that is to say, that actual Europeans have failed to rise to their potential, and do not deserve to have their thoughts and beliefs taken into account. Could a Europe constructed on such distrust of the people ever actually connect with them?

Patriotism is not an easy subject and it's hard to know its sources. Shore's review of the Commission's past thinking makes it clear that Brussels has no answers. That, though, is not to Brussels discredit: who does have answers? That the Commission's analysis is shallow and silly and owes more to hope than to thought is to its discredit. And it is disastrous that the EU, in trying to build a nation, has put itself on a road that calls for patriotism even though it doesn't have the faintest idea of how to get it. The EU powers-that-be have badly over-reached themselves. It's Europeans, though, who will pay the price.

"There is little feeling of belonging to Europe. European identity has not yet been engrained in people's minds."

What if Europeans Can't *Be* Made?

The creation of 'Europe' in the political sense proceeds apace. But enthusiasm for 'Europe' must surely be predicated on a belief that 'Europeans' will somehow follow 'Europe'. If that belief vanishes, can enthusiasm for 'Europe' be maintained? Is a 'Europe' without 'Europeans' worth making?

One faction in Brussels argues that 'Europe' does not in fact need 'Europeans'. A modern state, its members say, has no need of patriotism or loyalty. All that it requires is honest and efficient administration of rational rules and regulations.

When you can't *get* patriotism or loyalty, that's a tempting case to make. But it's also hard to make. Honest and efficient administrators are difficult to find in the best of circumstances (and, as Shore notes in some detail, the EU has signally failed to fill all of its own posts with such folk). It is likely to be even more difficult to find them – if it is possible at all – when the population at large feels no loyalty to the state, and administrators lack the conviction that they are serving some greater good. In a state that cannot command loyalty or affection, moreover, what will cause legislators to choose *"rational"* rules and regulations?

Administrative elites that claim to serve the populations they governed – to have acted only in what the administrators thought were the best interests of the subject population – are not unknown to history. British colonial administration provides a possible example. But, surely, not even the dullest members of the European elite can think that colonial administration is an appropriate model for the new Europe – can they?

Well, yes and no. The French model of governance – a likely model for the EU– shares a number of characteristics with enlightened colonial administration. French national administration is dominated by an Enarque elite (graduates of the Ecole Nationale d'Administration) who say they are doing their best for the population at large (but aren't themselves typically pauperised in the process).

Larry Sidentop (*Democracy in Europe*, p. 144) comments on the French model:

"If Europe is created on the model of the older, unreformed French model of the state - so that a 'federal' Europe becomes the façade for a political class and a political culture shaped by bureaucracy – then the danger for Europe is that its history will come to resemble that of France since 1815. The tutorship of a bureaucratic state will be rejected from time to time by Europeans angry at being treated like children, but unused to the disciplines of citizenship."

This is a likely outcome for the EU. It (as opposed to some of its member states) has no tradition of democracy. This comment is often made as a criticism, but it is not meant in that way here. Democracy is good for some things, not for others. A project to achieve a specific pre-selected goal, for example, may best be driven to completion by authority, not by democracy.

The EU, though, *is* such a project. Moreover, its supporters tend to endow it with a mystical, quasi-religious status, which also is inimical to democracy. Its high priests know, in a rough sort of way, where it is supposed to go (*"closer union"* etc.), and its *cognoscenti* regard the achievement of the goal as vital and non-negotiable. When the people show signs of wanting to abandon the long march, the *cognoscenti* think that deceit is a perfectly proper means of getting them back on track. EU politics is about management and manipulation, not democracy and openness. As Louis Michel, the talkative foreign minister of Belgium recently said, *"I personally think it is very dangerous to organise referendums when you're not sure to win them.*"

What happens, though, when we have achieved a closer union? *"Ah, then,"* the Euro-credulous say, *"then we can have democracy."* Yet how do you get to democracy from officious bureaucracy? What in the political tradition of the EU suggests that its elites will prefer openness to manipulation? Why should they?

The most likely political fate of the EU is a mild authoritarianism. The current administration of the EU, as Shore says, is based on the French model, and that is the most likely form of authoritarianism. It's the mess of pottage we shall probably get in exchange for our birthright.

A Fine Piece of Work

Cris Shore has written a book that is provocative in the best sense – it introduces new material into the European debate, and introduces new ways of looking at, and fresh thought about, old subjects. He is to be congratulated on a fine piece of work.

Dr Brian Hindley lectures on international economics at the London School of Economics, where he is Emeritus Reader in Trade Policy Economics, and at the Amsterdam Law School where he is a visiting professor. He is co-Chairman of the Bruges Group.

Failure of Red Tape Reduction Initiatives

by John Walker

Successive UK Governments have instigated proposals to reduce regulations and red tape and, in the eyes of the majority of small business owners, each initiative has been a complete failure. Regulations continue to increase, year-on-year, particularly in the key areas of employment law, health & safety and the environment. Yet Governments continue to promote a perception that they are 'doing something about it'.

The signing of the EU Social Chapter in 1997 has been a significant driving force for regulation in areas of employment law. Prior to that the UK had an opt-out from the Social Chapter but was still obliged to implement the Working Time Directive following a European Court of Justice ruling which determined that the Directive applied to all member states, including the UK. This Directive was transposed as the Working Time Regulations at an estimated cost of £2.3 billion to British businesses.

It is widely felt that the EU held back on Social Chapter legislation whilst the UK had an opt-out, because to do otherwise would have given the UK a competitive advantage. Once the UK adopted the Social Chapter in 1997, and proposals from the Commission came under Qualified Majority Voting, everything was in place to start filling the empty 'Chapter' with rafts of employment legislation. Just to put salt in the regulatory wounds, the EU Treaty states that *"such directives shall avoid imposing administrative, financial and legal constraints in a way which would hold back the creation and development of small and medium sized undertakings."* Weasel words indeed, when compared with reality.

Environmental directives are predicted to be the next growth area of business regulations. We have already seen ludicrous proposals about the disposal of refrigerators and dumped cars. Now proposals are in the pipeline in relation to the disposal of electrical equipment and end of life regulations for motor manufacturers. Business waste has become a controlled substance and so it is a criminal offence to put business waste paper in a recycling bin in a local car park.

The current UK Government established the Small Business Service two years ago. Amongst its original objectives included being a voice at the heart of Government to do with the red tape issue. We have a Better Regulations Task Force, Better Regulations Unit, Regulatory Impact Unit and the Regulatory Action Directorate, all charged with reducing red tape and all have been unable to deliver any meaningful results.

New regulations are even being hailed by the Government in their press releases as a cut in red tape. Two examples of this astonishing claim came with the recent Employment Bill and a Statutory Instrument (2002, no. 440) relating to accreditation of window installers.

Many EU directives are framework directives and as such set general principles to be followed by the Member States, although the UK Government often goes much further and takes the opportunity to 'gold plate' the legislation to the detriment of those who are obliged to implement it.

The EU itself has been busy with its own initiatives. Two years ago in Portugal, the European Council adopted a Small Business Charter, which included commitments to reduce regulation on the one hand but on the other the Commission still continues to propose further directives that increase red tape. At the end of last year, the EU appointed an SME (Small & Medium Sized Enterprises) Envoy, Mr Timo Summa, whose responsibilities will include Better Regulation.

Even if a future Government wanted to tackle the problem of red tape, they would find that they could not repeal or amend much of this legislation, because to do so would contravene EU law. According to the Better Regulations Task Force 2001 Annual Report, 80% of legislation that affects the business community comes from the EU, so the challenge is far greater than many people realise.

It is all very well complaining about the situation, but what, as a lobbying organisation, are we doing about it? We are not idle; far from it. Through our membership of the European Small Business Alliance, the message is regularly delivered to MEPs and the Commission and at home throughout Westminster, Whitehall and the devolved authorities. The vast majority of politicians know our concerns only too well, yet often their willingness and ability to act is the problem. Pressures on Governments to deliver social and other policy objectives will nearly always come ahead of the interests of those (including small businesses) who are often part of delivering it. The future outlook is not bright.

As a small business organisation, we welcome any initiative that will actually tackle the problem of regulation. Unfortunately, evidence from our members shows that each initiative has failed and until there is political will amongst the EU Member States acting together to reverse the cumulative effect of regulations, little can be done apart from having new headline grabbing initiatives every couple of years.

John Walker is Policy Chairman of the Federation of Small Businesses.

CHUNNEL VISION

What's in a (Domain) Name?

An agreement has been reached in the institutions of the superpower-to-be that the EU is to have its own net identity. Understandably, some of our readership might not fully grasp what the internet does and on encountering a keyboard would prod it warily with a stick, so in plain English then – in addition to your website www.euroscepticandproudofit.com and the nation's www.blair.gov.uk, we are destined shortly to see piccies of our friends in the Commission by typing in www.mad muppet.eu. It's all in the dot.ending, and the EU's going to have its own.

Big deal? Well, let's look at how it happened.

Back in November, Dot-Commissioner Erkii Liikanen confirmed that an EU domain name was felt to be needed, and that he and his team were lobbying ICANN (the internet names registry people) to see if a Top Level Domain would be feasible. A Top Level Domain, for your information, means it's an end tag and not a home page.

This had followed earlier reports suggesting that one could be up and running by the following spring, if all the parties concerned agreed to its practicality and, equally to the point, desirability.

Matters progressed on schedule. After a compromise with the Council of Ministers, the European Parliament on 28 February 2002 voted through the Flesch Report. This, among other things, established a Registry which would also be the body which ran it. On 26 March, the Telecoms Council gave it final approval and, *voilà*, the process which had begun a few months before was concluded.

As you can see, nice and straightforward with minimal contention. Well, not quite…

For one thing, what does it actually mean? Why is it needed in the first place?

Interestingly, Liikanen himself spelled it out (as a Finn he has a habit, unfortunate in Brussels circles, of actually telling it occasionally as it is). In his words,

"The introduction of a new .eu internet domain will create a truly European identity in cyberspace for EU internet users."

Yes indeedy. Part of the rationale is that it will be available to mask the national identity of users – one example used is that of a British company which might want to trade with France, which by hiding behind an EU mask could overcome any national prejudice.

By the same token, it also creates another jigsaw piece into a nascent pan-EU identity. Some commentators have noted since September 11 the number of domain registrations using .us in the States has increased drastically, in a sign of national pride and support.

Equally, by creating an .eu identity, the .eu.int tag that presently exists for community institutions will be opened up for business and lobby parties to use. Some journalists tactlessly add that .int is vulgarly used by mere intergovernmental bodies, a rank beyond which EU staffers aspire; something more nation-sounding – and not based in Los Angeles – is more the order of the day.

Yes fine, many would say. This is still small beer and all very blah blah. But wait. Here's the twist. According to the Foreign Office, it didn't actually happen. Question mark appears over head, eyes are rubbed: sorry, say again? The Foreign Office denied it was ever on the agenda.

On Thursday, 3 February 2000, several months before Mr Liikanen's first comments to the Press on the need for the Top Level Domain, Mr Dimbleby was in Brussels. Which Mr Dimbleby I sadly forget – whether the matter or the anti-matter version passes my memory by and is of no consequence here. He had come to present the ever-entertaining *Question Time* from the EU capital itself.

Now I shall let you into a secret, if you promise not to tell. QT is pre-recorded and is actually taped a smidgeon in advance of its showing. Sorry about having to spill the beans about that. Blame the tooth fairy.

Prior to the recording there is a brief warm-up session when a question is asked and the panel do a test run. Having to face it all were Iain Duncan-Smith, Jens-Peter Bonde, Jacques Santer and – here we go – Robin Cook.

In the media that day there had been a little tabloid excitement about a briefing that had taken place to some of their number in the Lobby that there was an EU domain name on the cards. Clearly, in the context of the national identity issue, this raised questions.

Robin Cook did not duck them. He did not even sidestep them. He chinned them, smashed them into little pieces with a fire axe, and then fed them to the hogs. Because he utterly denied that any such project was on the cards. He not only denied it, but he rolled up his sleeves and got stuck into the eurosceptics for peddling lies.

Now, I could have taken it personally (enough said about one's role in all this) and it is a crying shame it was all off camera, but when a Secretary of State denies categorically that something is happening – in the face of documentary proof that it is being discussed – and then a year later the very thing turns into an institution, you have to wonder if people like Cookie don't have a clue what is going on, or the FCO don't have a clue, or someone is involved in an institutional cover-up.

The fault lies in part in the system. Several hundred secretive working groups chat and discuss proposals before any minister ever gets to see them. John Redwood as Welsh Secretary famously caused consternation by once demanding to go and sit in on one.

The Swedes during their presidency cast a little glimmer on their workings (those nice Nordics again) but since then back into the penumbra they have flown.

Those of you who happen to have a bulky old copy of the Communities budget propping up a table can at least find a list of these shady bodies. It comes about a quarter of the grimoire into the tome, and it fills whole pages.

The mind boggles at what these bodies do: the Advisory Committee on Youth for Europe; the Committee for the Financing of Special Projects in Favour of Asylum Seekers and Refugees; the Committee of Senior Labour Inspectors, for instance.

Or the Advisory Committee on Value Added Tax; the Advisory Committee on Media; and the Advisory Committee on Restrictive Practices and Dominant Positions.

Who sits on these? To whom do they report? To whom are they accountable?

What proportion, indeed, of the laws that they draft are in reality fixed in stone before any minister ever reviews them, owing to the complex intergovernmental negotiations that are involved?

In short, what proportion of our domestic legislation is agreed by civil servants over Galloises and baguettes?

More, perhaps, than our Dimbleby guest cared to let on, and more than we'll ever find on the net, EU-run or otherwise.

Dr Lee Rotherham is Secretary of Conservatives Against a Federal Europe.

The Bruges Group

A series of meetings to be held at:

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also, at venues to be announced,

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and

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Bruges Group International Conference

For more information contact:
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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:

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