THE EUROPEAN JOURNAL

THE JOURNAL OF THE EUROPEAN FOUNDATION



THE CHALLENGE FOR THE CONSERVATIVE PARTY BILL CASH, MP

d

Marian Tupy & Patrick Basham
Jacob Rees-Mogg • Owen Paterson, mp
Jean-Paul Floru • Struan Stevenson, mep
Paul Howard • Lord Blackwell
Lord Rees-Mogg • Sean Shortell
Dr Lee Rotherham • Dirk van Heck

THE EUROPEAN JOURNAL THE JOURNAL OF THE EUROPEAN FOUNDATION

Contents

| For reference, numbers on pages are as in the printed copy Articles below are hyperlinked – use the hand icon, point and click | Original Page | PDF Page |
|---|------------------|-------------|
| SOLON: The Lunatics have Abandoned the Asylum | 2 | 3 |
| UP FRONT | | |
| MARIAN TUPY & PATRICK BASHAM: US–EU: The Constitutional Divide | 4 | 5 |
| BILL CASH, MP: The Challenge for the Conservative Party | 5 | 6 |
| JACOB REES-MOGG: 'And they said Lord behold here are two swords' | 12 | 13 |
| Owen Paterson, MP: You Will Be Assimilated | 12 | 13 |
| JEAN-PAUL FLORU: The Belgian Disease | 14 | 15 |
| STRUAN STEVENSON, MEP: Should EU Vote for an Early Christmas for Turkey? | 15 | 16 |
| OBITUARY: Lord Hanson | 16 | 17 |
| PAUL HOWARD: The Commission is Dead. Long live the Commission. | 17 | 18 |
| In Depth | | |
| LORD BLACKWELL: Constitution for Europe (Referendum) Bill | 18 | 19 |
| LORD REES-MOGG: Constitution for Europe (Referendum) Bill | 20 | 21 |
| And Finally | | |
| SEAN SHORTELL: Facts | 22 | 23 |
| Letters to the Editor | 23 | 24 |
| DR LEE ROTHERHAM: reviews Europe Recast: A History of the European Union by Desmond Dinan | 24 | 25 |
| DIRK VAN HECK: reviews Off Whitehall by Derek Scott | 25 | 26 |
| SEAN SHORTELL: Valletta City Guide | 26 | 27 |
| Dr Lee Rotherнам: Chunnel Vision – Target Acquisition | 28 | 29 |

Editor: Annunziata Rees-Mogg

Publisher: The European Foundation 7 Southwick Mews, London W2 1JG Telephone: +44 (0) 20 7706 7240 E-mail: euro.foundation@e-f.org.uk ISSN 1351-6620

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

A subscription form is printed on the inside back cover.

The European Journal is published by The European Foundation. Views expressed in this publication are those of the authors themselves, not those of The European Journal or The European Foundation. Feature articles and reviews should be sent to the Editor at the address above, if possible by e-mail or on 3.5" IBM compatible disc in MS Word. No part of this publication may be reproduced in any form or by any means or stored in a retrieval system without the written permission of the publisher.

SOLON

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



The Lunatics have Abandoned the Asylum

The European Journal has covered the development of the European Constitution more extensively than any other publication and will continue to do so. It is essential to get across to the national media, as Bill Cash recently did on Radio 4's *Today Programme*, the message that our nation is being undermined not only by the threat of the Constitution but also by the existing Treaties and that the way to regain control of our affairs is by enacting a Sovereignty of Parliament Bill and being prepared to threaten withdrawal from the EU in aid of renegotiation.

On 25 October, the start of the week in which the European Constitution was signed, the Home Secretary signed away the UK's veto in asylum and immigration policy. As in so many other areas of policy, the pass had been sold at Maastricht. The commitment made at Maastricht, to regard asylum and immigration policy as matters of common interest, was then developed in the Treaty of Amsterdam, for which the last Conservative Government must take significant responsibility, in a wide-ranging set of mandatory Articles. These included a procedural ratchet, in Article 730, which committed the Council, five years after Amsterdam entered into force, to "take a decision with a view to providing for all or parts of the areas covered by this Title to be governed by the procedure provided for in Article 189b [codecision with qualified majority voting]."

This procedural ratchet became part of Article 67 of the Treaty on European Community following the Treaty of Nice in 1999, and it is this Article that was the Treaty base for the Council of Ministers' decision on 25 October this year. The form of words; "with a view to" and "all or parts", gave the Government a potential basis for resisting the loss of the veto. Such resistance had previously been official policy, both at the Convention on the Future of Europe, as evidenced by the Government's draft amendments, and later, as stated by the Minister for Europe on the floor of the House. However, the European Constitution provides unequivocally for QMV throughout the area of asylum and immigration. By implication, the shift in Government policy must have taken place following the final negotiations on the Constitution in June 2004, when it became clear that the Government had lost this battle. Given the Government's prior commitment to ratifying the Constitution, abandonment of the veto then became politically unavoidable.

The Home Secretary has argued that the UK will have "the best of both worlds" once the veto has gone, since the UK will retain its opt-out and will be able to drive the reform of asylum policy. This is a cloak for a negotiating failure. In fact, the

Government had previously been committed to opting into the Common European Asylum System – the UK has already opted into four Regulations and Directives, unlike both Ireland and Denmark. Now, the Government expresses caution about endorsing further policies that are part of the System. This is as a result of the loss of the veto.

The loss of the veto also means that the UK will lack the negotiating leverage necessary to drive reform of asylum policy. Further, it means that the UK will bear some of the practical consequences of the Common Asylum System notwithstanding any use of the opt-out, since people who have been granted asylum enjoy the right of free movement within the EU, including the UK. Any changes made to the four Common Asylum System provisions that the UK has already opted into may be made by QMV, thus potentially changing the UK's asylum laws against the will of our Government and Parliament, again notwithstanding the opt-out.

The only way in which national control can be restored in this area so as to enable Conservative policies on asylum and immigration to be put into effect is to renegotiate the Treaty provisions in this area so as to eliminate not only the procedural ratchet that was put in place at Amsterdam but also the relevant provisions of the Treaty of Maastricht, which commit the UK to compliance with the Refugee Convention of 1951, from which the Conservative Party has pledged to withdraw the United Kingdom. As Bill Cash's 1996 Blue Paper: A Response to the Government's White Paper on the Treaty of Amsterdam said:

"The Government accepted last year that areas covered by Title VI of the Maastricht Treaty, Justice and Home Affairs – freedom of movement, safety of persons, and the police – are 'at the heart of national sovereignty'. The Treaty simply generates confusion on this, as I pointed out to the House of Lords. Charles Wardle, MP, former Minister for Immigration, has proved the need for renegotiation. Astonishingly the White Paper fails even to repeat what the Government has already assured Parliament when it said that it will not give way on the issue of border controls. Renegotiation is vital or the Conference must be vetoed."

It is time we acknowledged that in order to implement Conservative policies we will have to admit that the Party went wrong in the past and promise a policy of reasserting national control before the next general election. Recent spats in the House of Commons have not made this sufficiently clear. The necessary clarity is contained in the pamphlet that takes up much of this issue of the *European Journal*, 'The Challenge for the Conservative Party: The Future for Britain and Europe'.



Dear Reader,

As a subscriber, you have been the staple of our fundraising for the last eleven years. It is the generosity of people like you that enables us to meet our annual budget so that we can continue to provide in-depth comment and analysis on how the European Union affects all our lives.

The EU is encroaching more and more aspects of British independence. The Foundation is resolutely committed to fighting the battle against Brussels on your behalf. With the EU Constitution looming, and the loss of 63 vetoes that accompanies it, a donation from you today is essential to ensure we win this arduous fight. Simply fill in the form below and return it to us at our new address.

Please feel free to contact me directly by email or phone if you have any questions regarding donations.

Thank you for your continued support.

Yours faithfully,

Sara Rainwater Fundraising Co-ordinator

| | | | <i>></i> | < |
|------|---------------------------|-----------|-----------------|---|
| | I enclose a donation of £ | | | |
| _ | | | | |
| - | | Postcode: | | |
| Tel: | | e-mail: | - | |

Please complete this form in block capitals. Please made cheques payable to The European Foundation and post to our new address:

The European Foundation
7 Southwick Mews
London W2 1JG

US-EU:The Constitutional Divide

by Marian Tupy and Patrick Basham

ALL WRITTEN CONSTITUTIONS are products of their time. They reflect a specific political culture, the strength of different political interests, and the particular historical concerns of the authors themselves. As President Bush, sworn to defend a Constitution written over 200 years ago, met in Washington with EU leaders finalising a Constitution of their own, the respective documents reflect the differences between American and European political cultures.

The American Constitution is a product of the 18th century Enlightenment. Its overriding concern is the relationship between individual freedom and coercive government power. Hence, the government's powers are delegated, enumerated, and thus limited. The authority that government enjoys is derived from the people, who can, in theory, reclaim that authority.

In contrast, the recently drafted EU Constitution is a product of 20th century welfare-state socialism. The official goal was to design a simpler, more efficient, more democratic Europe that is "closer to its citizens". However, the goal was never seriously pursued and, consequently, never achieved. As a result, the new Constitution will have serious negative implications for liberal parliamentary democracy and the principles of self-government.

The EU Constitution makes European government more, not less, remote from the citizens. The EU's operations are expanded, not streamlined, and its bureaucracy is made more complex, not simpler. There are no cuts to the EU's 97,000 pages of accumulated laws and regulations. The EU's powers are supposedly limited in this document but there is an escape clause in case the Brussels-based bureaucracy ever feels boxed in by popular sentiment. The decisions in Brussels are final and EU laws supersede laws made by national parliaments.

The EU Constitution ignores the

delineation of government powers for both ideological and practical reasons. Ideologically, the federalist European Left views government as the initiator of action, which is why it favours a government uninhibited by individual freedom. By contrast, most Americans view government as a facilitator of actions initiated by private individuals. That is why individualism is incompatible with the welfare state and that is why it is rejected by European elites as alien to the European political system.

In practical terms, the drafters of the EU Constitution made a conscious decision to leave the exact parameters of federal government power as ambiguous as possible. This is in order to provide for the expansion of EU power held centrally in Brussels. If the EU is ever to approximate the stature of the United States in international affairs and global economics, the Brussels-led reasoning goes, centralised decision-making must increase. Hence, the pessimism of those seeking to overturn the EU's longstanding 'democratic deficit'.

The EU Constitution is also full of dangerously vague, politically correct phraseology, including references to "sustainable development", "solidarity between generations", and "the social market economy". Moreover, the EU Constitution is also preoccupied with the codification of welfare entitlements, i.e. redistributive claims that individuals and/or groups make against one another. For example, some of the provisions in the European Charter of Fundamental Rights, such as the right to a job, can only be guaranteed through the transfer of vast resources from some citizens to others.

When the original Charter was signed, it was considered a non-binding statement of intent. That is why the British, whose political system most closely resembles the American, were willing to consent to it. The EU Constitution makes the Charter provisions compulsory in the manner of the

American Bill of Rights. However, the two are fundamentally different. With the exception of the 7th Amendment, which provides Americans with the right to a trial by jury, the Bill of Rights stipulates only those rights individuals possess vis-à-vis the state. It says nothing about entitlements that some people may receive at others' expense.

The formal adoption of the EU Constitution will result in one of two possible outcomes. Either the constitutional welfare provisions will be discretely ignored, because of their prohibitive cost and negative effect on European economic growth, or their enforcement will lead to even greater central government regulation of European social and economic life.

In the former outcome, the entire EU Constitution will be devalued by overtly broken promises. The latter outcome will relegate the European economy to permanent second-class socio-economic status and thus postpone, perhaps indefinitely, the European dream of eventually rivaling American financial wealth, cultural influence, and political power.

Alain Lamassoure, a French delegate to the EU Constitutional Convention, states, "Our work compares favourably with that of the Philadelphia Convention." On the contrary, the EU's technocratic social engineers confused their overly elaborate constitutional designs with the simple yet enlightened principles that anchor the American Constitution and underpin the very success that the EU exists to emulate.

This article was published in the Washington Times, 25 June, 2003, http://www.cato.org/dailys/07-05-03.html

Marian Tupy is assistant director of the Project on Global Economic Liberty and Patrick Basham is senior fellow in the Center for Representative Government at the Cato Institute. See www.cato.org for more details.

... news in brief

Hungary announces withdrawal from Iraq

The new Prime Minister of Hungary, the former Komsomolchik Ferenc Gyurcsany, has announced that the 300 Hungarian soldiers in Iraq will be withdrawn by March 2005. "It is our duty to stay there until the elections," he said, "but it will be impossible to stay much longer than that." The mandate of the Hungarian soldiers in fact expires in December.

Budapest said that it would announce its decision after the US elections, and so it has done. The conservative opposition has repeatedly called for the troops to be withdrawn: the Iraq war, and Hungary's participation in the occupation, are extremely unpopular. The Dutch Government has said it will send a contingent of 1,350 soldiers to Iraq. The Hague has said that this will be the last contribution it makes to post-war Iraq. [*Le Figaro*, 4th November 2004]

The Challenge for the Conservative Party: The Future for Britain and Europe

by Bill Cash, MP



To win, a political party has to be clear and consistent, with its principles as the foundation of its existence. The bigger the issue, the greater the need for clarity. When clarity is there, the voters' perceptions and their votes run together for the winning.

In his novel, *Coningsby*, Disraeli sums up the state of the Conservative Party at the time of the Tamworth Manifesto and the repeal of the Corn Laws – an issue of defining, historic significance for the Party as were, later, Home Rule, Tariff Reform, Franchise Reform, Appeasement and Trade Union Reform under Margaret Thatcher. "There was a great deal of shouting," he writes, "about Conservative principles, but the awkward question naturally arose – what are the principles we are supposed to conserve?" Lack of clarity in the application of those principles to these watershed issues led to electoral disaster until they were resolved. In each case, what had been the minority view in the Party became the accepted view, and victory followed.

So it is with Europe. Indeed, it is a paramount issue because it is about who governs. Thus it is about the voter and the vote itself – our system of democratic consent and parliamentary sovereignty. The national interest lies at its heart and, as Disraeli also said; "the Tory Party is a national Party or it is nothing". Not "nationalistic," but "national" – or nothing – as strong a word as can be used.

Well over 60 per cent of our laws are now made by the European Union. They already affect every aspect of our daily lives – even before the European Constitution is taken into account. They derive from the existing Treaties. They are not working, either for Europe or for the United Kingdom: much of the eurozone has low growth and high unemployment, while our businesses are being strangled by over-regulation. There needed to be a referendum on the European Constitution and, on present reckoning, it will be rejected, but the problem of the existing Treaties will remain. It is essential that they be radically reformed.

This is where we need clarity, as I explained in the House of Commons on 9 September 2004. We cannot merely confine our renegotiation of the Treaties and laws to foreign aid, fishing and unspecified powers. We must resolve clearly the political structure of Europe itself, returning power to the voter and to Parliament. Integration under Maastricht, Amsterdam and Nice must be unravelled, and the market itself reformed, to meet the opportunities of global trade, not be hidebound by the protectionists in Europe. We must face the future with confidence and experience and be prepared to take enterprising risks, as we have down the centuries.

We need, therefore, to commit ourselves clearly to associated status (as I argued in my pamphlet *Associated, not Absorbed,* (2000)) not to integration in a rigid, institutional framework. *The Economist* on 13 June 2003 concluded from a poll of electors that; "If that policy [associated membership] became explicit Tory policy, they might attract 8% more votes [in a General Election]." Now, on 25 September 2004, *The Economist* has acknowledged in its survey of the EU that association agreements may indeed be part of the future of the EU.

But surely, some argue, Europe is not at the upper end of voters' concerns. This is simply because it has been badly explained. The BBC and others will not treat the subject objectively and the real connections between Europe and virtually every other area of policy are not presented to the electorate. When the penny drops, Eurorealist instincts become votes. In the meantime, we have the ludicrous spectacle of the federalist Liberal Democrats being given top rating on Europe in the Populus poll for *The Times* on 28 September 2004, according to Peter Riddell. This when every other poll rejects the euro and the European Constitution by over 60 per cent, and has done so for years.

As for Labour, Derek Scott and Stephen Wall, both former advisors to Tony Blair, have revealed that the battle between Blair and Brown greatly turns on the economics of the European issue and who governs. Brown and Jack Straw pushed Blair into the referendum on the Constitution at the same time as Straw conceded

the argument which Richard Shepherd and I had fought with him in the House of Commons for six months about the supremacy of Parliament over international and European treaties. Michael Howard has recently, and rightly, asserted this principle as respects the Common Fisheries Policy. Yes, it can take much more than a unilateral slogan to turn the ship of state. Now is the time, with the TUC last month refusing to back the "Yes" campaign, to drive the wedge deeper between Blair and Brown on the seminal issue of Europe and parliamentary government.

So let us have clarity – promise to return real power across the board to the voters and Parliament – meet the challenge with clarity and self-confidence and, with real determination, threaten withdrawal if the other Member States refuse to listen and act accordingly. The national interest and the future of the Conservative Party are at stake. If this great, historic issue is grasped in a statesmanlike manner, we will at last be on course to win. Action today.

Fundamental Questions & Answers

What has Europe done for us?

The Common Market and its successor organisations have brought down trade barriers in Europe and provided an attractive alternative model to communism during the Cold War. Some studies suggest that the UK would be better off if we had never joined – we must now renegotiate so that we avoid its damaging aspects. Contrary to an oft repeated assertion, the EU has not been the reason for peace and security – this came from NATO. A fundamental problem arising from the EU has been its insistence on an undemocratic system and lack of accountability, and on European economic government and its damaging social agenda.

How important is this European Constitution?

PUNDAMENTALLY IMPORTANT. It would subsume national constitutions, expanding and setting in stone the old model of a political European Union. It revokes the existing treaties and laws and reapplies them under the primacy of a European Constitution itself and the European Court of Justice (ECJ).

Is it a constitution of a club or the Constitution of a state?

It is called a 'Constitution for Europe' and has the characteristics of a classical state Constitution. Jack Straw recently admitted that it would take precedence over the constitutional laws of Member States:

Mr Cash: On primacy, he is of course referring to article 1-5(a). I note that the word 'constitution' was eliminated from the previous text. The text now makes it clear that, 'the Constitution and law adopted by the Union's institutions in exercising competences conferred on it, shall have primacy over the law of the Member States.'

Does the Foreign Secretary deny that the expression 'the law of the Member States' includes the constitution of the United Kingdom?

Mr Straw: Of course it does

What will happen if we vote 'No' in the referendum?

T there may be attempts to hold new referendums in some countries. If Britain alone votes 'No', this will set us on a path to renegotiating our relationship with the EU. If several countries vote 'No', then the Member States will have to start looking at different, looser models for reforming the EU. If there is a 'No' vote, then there

will have to be a radical renegotiation of the existing treaties. It is the structure which is wrong, including enhanced co-operation, whose superficial attractions would merely put us in the outer ring of the constitutional wheels of the European Union. This is why we need associated status, to which reference will be made below.

Might our EU partners not agree to British demands for renegotiation?

If our demand for renegotiation were backed by a real threat of withdrawal, it would certainly create circumstances in which it could be accepted. The balance of trade between the UK and the rest of the EU puts us in a strong negotiating position. There are other Member States that would back us if we led the way.

What else can we do?

ENACT MY TWO BILLS: the Sovereignty of Parliament Bill, which affirms the principle that UK judges must obey UK statutes even if they expressly conflict with EU law; and the Memoranda of European Derivation Bill, which provides for the identification of the EU origins of relevant domestic legislation – bringing real transparency to the legislative process. We should also adopt a policy of associated status, as set out in my earlier pamphlet, Associated, not Absorbed, which The Economist, on 13th June 2003, suggested would be worth an 8% share of the vote to the Conservative Party in a General Election.

Do we need to agree to the Constitution for the sake of our relations with our neighbours?

No. The Iraq crisis split the EU down the middle – it is wrong to characterise it as Europe v America. That rivalry, however, is the path down which the Constitution would take us. Political union would undermine our democracy and is not good for Europe. We must take a positive approach, namely that it is not anti-European, but pro-democracy, pro-economic freedom, pro-security; whereas Europe is not working, with low growth and high unemployment. The reason the UK economy is reasonably sound, but could be better, is despite Government policy on EMU and the ERM.

Does the Constitution return powers to the Member States?

No, it consolidates and extends the powers of the EU. No power has ever been returned to Member States and there are no examples of subsidiarity – the principle that action should be taken at EU level only if this is the most effective level – in practice.

How important is it that powers be returned – whether or not there is a 'No' vote in the referendum?

It is essential to restoring the strength of our democracy. It is also economically vital as de-regulation, if conducted at the European level, will take too long to be effective in the context of Europe's inevitable relative economic decline in the light of the acquis communautaire and the refusal to make necessary changes to the existing treaties. The issue of the return of powers to our parliamentary system of government is also relevant to the low turnout in our elections because they see their Parliament emasculated and they feel they cannot make changes.

Is it inevitable that we will join the euro?

No – and it is essential that we don't. The Constitution would bring the prospect of joining closer by tightening the noose of Economic and Monetary Union.

Would the European Constitution give us more rights?

It would give us different rights - and less freedom. The Charter of

Fundamental Rights would not give us more rights, it would just give the ECJ jurisdiction over our rights – taking that power away from our national institutions.

What is the Conservative Party's role in all this?

The role of the Conservative Party is to represent the national interest. This means helping to ensure a 'No' vote in the referendum and planning for action ahead of the result such as putting forward proposals with a view to radically renegotiating the Treaties and preserving our democracy. This means abandoning the component parts of Maastricht, Amsterdam and Nice and reforming the Single Market. This would include adopting my Sovereignty of Parliament Bill, reasserting the supremacy of Parliament, as a matter of principle, irrespective of whether it involves an inconsistency with the European Communities Act – and insisting that judges give effect to inconsistent Acts of Parliament. This would involve repeal or amendment of the existing Treaties and laws and aspects of the role of the ECJ. In other words, we would be insisting on the democratic rights of the voters in a general election through their representatives in Parliament.

Let Battle be Joined

ET BATTLE BE JOINED", the Prime Minister declared, as he announced the referendum on the Constitution for Europe. The battle is coming; a great battle – a battle for Britain and Europe. Tony Blair has already made it clear that his main weapon in this battle will be negative spin, purporting to expose 'Euromyths' – the allegation that we, as Eurorealists, are making it all up.

We who champion a 'No' vote do so because we want to save our nation. Tony Blair and Peter Mandelson want a 'Yes' vote because they want to destroy our country by transforming it in their own image. Their 'vision' is more important to them than our national interests. Most of the British public already know they can't trust Mandelson and Blair. If Labour are allowed to continue in Government, these are the men who will be running the 'Yes' campaign, which we have already had a taste of in the recent White Paper on the European Constitution – a propagandist document packed with dubious assertions. It is highly significant that the TUC has refused to support the 'Yes' vote campaign.

Rearguard Action

The dissembling of the White Paper is just the most recent manifestation of deceit from a profoundly deceitful Government. Tony Blair's sentimental fondness for the EU is based on the political strategy of New Labour: socialism by the back door. Listen to Blair's own policy advisers: the proposals of the Convention on the Future of Europe "give us most of what we want," said Roger Liddle, Number 10's former chief policy adviser on Europe. "I don't think he has got any political grasp of what has driven the European Union over the past 50 years and where it is going," said Derek Scott, the Prime Minister's former chief economic policy advisor; "Peter Hain ... was all over the bloody place" at the Convention. Mr Scott also said, "I don't think Gordon Brown is opposed to the euro in the way that I'm opposed to it. My own feeling is that he hasn't actually thought through the economics."

As David Heathcoat-Amory, the Conservative Parliamentary representative at the Convention, said, the British Government was not doing enough in the early stages. The pass was sold back then, and the later, rearguard action was more spin than substance. Although the referendum was forced on them, New Labour has consistently sold out the national interest.

The Empire Strikes Back?

NE OF THE MOST DISINGENUOUS CLAIMS that the Government has made is that the Constitution will give powers back to national parliaments. It is a claim that Number 10 had to make, since some of Labour's most senior MPs, including Gordon Brown and Gisela Stuart, who sat on the Convention on the Future of Europe, have insisted publicly that powers should be returned. In fact, the Constitution, as well as strengthening and formalising the legal and constitutional framework of the Union and subsuming the Constitutions of its Member States, removes the national veto in some 40 policy areas which are vital to our national interest.

The "right of referral" in the Protocol on the Role of National parliaments, meanwhile, merely gives national Parliaments the chance to say that they think a draft piece of EU legislation doesn't comply with the principle of subsidiarity. Subsidiarity is a specious notion that New Labour uses to claim that the EU "adds value". It has never been effective because it has never had any teeth. The Constitution wouldn't give it any.

Rather, the danger is that the Constitution would take things in the opposite direction. It would apply the co-decision procedure, under which the European Parliament agrees legislation with the Council, far more extensively than at present. In the 1999-2004 session, a practice of first-reading agreements has developed in relation to the co-decision procedure. These 'fast-track' agreements between the two institutions provide for the rubber-stamping of EU legislation and short-circuit the process of scrutiny in national parliaments, as the European Scrutiny Committee has indicated in its cross-examination of Jack Straw on 15 September 2004.

Honour Bound

NE OF THE MOST IMMEDIATE PROBLEMS in the EU is the volume of red tape piling administrative costs onto business; and the British, "the good boys of Europe", maintain a proud record of implementing it all. My pamphlet with Bill Jamieson, of March 2004, The Strangulation of Britain and British Business, showed that the six biggest regulatory burdens in Britain emanated from the EU, with a combined cost by July 2004 of around £23 billion. A recent study by the think-tank Civitas¹ estimates the current cost of EU regulation at £6.33 billion a year. Yet the Constitution will do nothing to remedy this – it will only make the problem worse. The acquis communautaire, the ever-expanding body of EU law (with its damaging impact on Britain and British business), will be preserved under Article IV-3 of the Constitution and added to by future EU legislation made under the Constitution.

Reclaiming powers from Europe, or indeed any national attempt at de-regulation involving EU legislation (and any meaningful attempt to deregulate would necessarily involve EU legislation), will not be facilitated but rather frustrated by this Constitution and its founding statement of the supremacy of EU law, which will prevent any national legislation from touching on the now vast areas of EU legislative power.

This must not be allowed to happen. Instead, the current safeguards must be strengthened and used effectively. Digby Jones of the Confederation of British Industry recently accused MPs of being "asleep on the job", yet the CBI has made no representations at all to the Commons' European Scrutiny Committee, as I indicated in my article in *The Times* on 25 August 2004. One is left with the clear impression that the attack was based on the CBI's failure to make a difference at the early stages, both with the Government and in Brussels. Doing it their way has not worked (despite my call at the

time of the Single European Act in 1986 that trade associations must work closely with the UK Parliament) but rather than looking at the alternatives, they have attempted to shift the blame onto MPs. If British business is ever to be relieved of the growing tangle of asphyxiating Euro rules, bodies like the CBI must lobby more widely at Westminster and start to take the radical alternatives seriously – such as my Sovereignty of Parliament Bill and the proposal for associated status.

Text Up

PEOPLE ON BOTH SIDES OF THE DEBATE agree that something has to be done. Europe's relative decline has become inevitable. The European Commission's own review, of December 2002, forecast a 44 per cent decline between 2000 and 2050 in the share in global GDP of the 15 Member States that belonged to the EU at that time ('the EU 15'). The entry of 10 new Member States last May will not help: their economic vigour since 1990 has been largely a result of casting off communism, whilst their demographic future is even bleaker than that of the EU 15; some have birth rates well below replacement level. Having just returned from Malaysia and China I found it clear that there are massive opportunities for us in the global market place unless we are inhibited by protectionism.

The only effective way to mitigate this decline is by radical measures to improve efficiency and productivity – including serious de-regulation. As Michael Howard has said, "the alternative to EU transformation is not the status quo – it is certain economic decline." We must take the necessary practical steps with sufficient political will to achieve change and make the necessary difference. Yet the Union and its Member States are set not to cut the ties that bind, but to be hamstrung by a vast constitutional framework, presided over by an overbearing supreme court of Europe.

The Constitution betrays the historic potential of the European project. It embodies the Euro elite's failure to keep pace with events. Expansion to the east must entail fundamental change. The defeat of communism should mean the defeat of statism, not its creeping advancement; the reaffirmation of the free-market, liberal model of political economy, not its erosion; and the strengthening of the West, not its growing division.

Courting Disaster

The European Constitution is adopted in the UK, our democracy will be subordinated to the European Court of Justice. Once the Constitution is in effect, that document will become the highest source of law throughout the Union. It will be interpreted by the European Court of Justice, whose interpretations will be impossible for Member States to challenge. The introduction of universal appeal rights to the ECJ, the manner in which the EU's prospective accession to the European Convention on Human Rights has been prescribed, and the ECJ's wider prospective jurisdiction based on the new Charter of Fundamental Rights will make it a fully-fledged supreme court of Europe, which determines the extent of its own powers regardless of Member State parliaments and governments. There are issues, as I said when I was Shadow Attorney General, which must be tackled by the appeal or amendment of the Human Rights Act 1998.

Swingeing Sixties

Purthermore, Article I-5a of the Constitution makes the principle of the supremacy of EU law a founding principle of the Union. The Government protests that there is nothing new in

this, yet a number of national courts, including our own, have insisted that nothing in the existing European Treaties may touch or qualify ultimate national sovereignty. The principle that European law is superior to national law was made up by the ECJ in the 1960s and, although this was incorporated at accession, it was limited to the then existing functions. These have now been outrageously extended; hence the need for the existing Treaties to be radically renegotiated. As one of our Law Lords, Lord Scott, has understatedly remarked, "It is an oddity that European law will have primacy over member states' domestic law [under the European Constitution] even where the ECJ does not have jurisdiction³."

Under the European Constitution, therefore, election manifestos that conflict with judgements of the European Court will be overridden, even if a government is elected on the basis of that manifesto. This strikes at the heart of our democracy and parliamentary sovereignty. There is growing discontent in Britain about the amount of power that our domestic judges have. The Constitution would give infinitely more power to an already overmighty court in Luxembourg – and we could not legislate to get any of that power back.

Taxing Time

TAX HARMONISATION', the standardisation of tax rates across the EU, is often called a Eurosceptic scare story, but it is in fact already happening. A recent pamphlet showed that the stealthy harmonisation of corporation tax by the European Court of Justice had already cost the UK Treasury around £10 billion – no wonder Gordon Brown has adopted an increasingly Eurosceptic tone since becoming Chancellor. The rapid development of ECJ case law in this area has also had the effect of undermining legal certainty for both business and the Inland Revenue and has interfered with the UK's network of double taxation treaties. The issue illustrates the impotence of New Labour in Europe. As the pamphlet's author says, "the Government seems to be hoping for the best" – as if wringing their hands would make the problem go away.

The Constitution paves the way, however, for the big bogeyman. The Government would like us to believe that the tax provisions of the draft Constitution were removed, in a victory for the British Treasury. In fact, whilst express references to tax were indeed removed, the economic and financial provisions of the Constitution grew in scope during the final negotiations. Professor Tim Congdon, a top economist, believes that the only plausible meaning of the main Article under Economic Provisions is tax harmonisation, as in the standardisation of overall fiscal policy: "If Article III-71 ... has any substance, it is that the determination of fiscal policy guidelines is to be centralised under Ecofin just as monetary policy [for members of the euro] has been centralised under the European Central Bank." In fact, the European Court of Justice has already seriously invaded the realm of tax.

Can't Control that EMU

The provisions of the Constitution also tighten the noose of Economic and Monetary Union (EMU) in other ways. Under Article III-91, non-euro Member States such as the UK are to lose their voting rights in a number of areas, including: recommendations made on the basis of multilateral surveillance and measures relating to excessive deficits; decisions establishing common positions on issues of particular relevance for EMU within international financial institutions and conferences; and measures to ensure unified representation within the international

financial institutions and conferences.

These exclusions might be fair enough were it not for the fact that non-euro Member States, such as the UK, are nevertheless subject to the EU laws that go with euro membership. The Constitution strengthens these, providing that; "the Member States shall coordinate their economic *and employment* policies within arrangements as determined by Part III, which the Union shall have competence to provide"⁵. The European Council will lay down guidelines for economic policy under Article I-14(1) and a Declaration annexed to the Treaty establishing the Constitution states that greater co-ordination of economic policy among Member States could raise economic growth potential. The Stability and Growth Pact, which was endorsed by Kenneth Clarke and John Major, and which I opposed at the time, has proved a massive failure.

Of course, whether co-ordinating economic policy would in fact improve growth potential in the EU depends on what the policies are. There is a danger that the whole EU could end up with the economic problems of France and Germany as the economy of Europe marches "valiantly towards the '70s".

Give us a Brake

ONE OF THE MOST LIVE THREATS posed by the European Constitution is to our civil liberties. The Constitution is full of talk of 'rights', but the rights we are used to enjoying as British citizens would be choked off and crowded out following its incorporation into UK law.

The long-standing EU plan to create a common criminal code for Europe has always been resisted by Britain because our 'common law' legal system is fundamentally different from legal systems on the Continent. The Constitution, however, provides for EU laws to determine the definition of offences over a wide and open-ended range, procedural rules to be followed and sanctions for those found guilty. The prospect of such a significant incursion into the coercive powers of the state aroused determined opposition, so the Government, having failed to deal with the issue conclusively, negotiated an 'emergency brake' procedure: Under Articles III-171 and III-172 of the Constitution, if a Member State considers that proposed legislation would "affect fundamental aspects of its criminal justice system", it may refer the proposal to the European Council, which may either request that the proposal be redrafted – or implement it in spite of the objection.

A late addition was also made to the text, providing that if the European Council does not make a decision one way or the other within four months or if, twelve months after a fresh draft has been submitted it has not been adopted, then a third of Member States may implement the proposal themselves on the basis of 'enhanced co-operation'. Thus the 'emergency brake' cannot stop the vehicle; nor does it constitute an effective opt-out from the development of an EU criminal code, since the European Council can go ahead and implement a measure across the board, in spite of the brake being applied.

A European Public Prosecutor's Office (dubbed an "engine of oppression" by the European Scrutiny Committee) is also provided for in the text. Once established, its functions may be extended from combating fraud to a wide range of offences. It has been described as "a European FBI" and even the Government has described it as "unnecessary".

All this is in addition to the European Arrest Warrant and Evidence Warrant, which will have serious implications for the freedom of the press and for fairness in the judicial system. In March this year, a journalist who had been investigating the Eurostat scandal, Hans-Martin Tillack, had his home and office in Belgium ransacked and items seized at the instigation of OLAF – the EU's anti-fraud office. The fact that a journalist's home can be turned over on the authority of a foreign official should be a wake-up call even to writers at *The Guardian* and *Independent*.

Wicked Waste

A SIMPLER SOLUTION to the problem of fraud in the EU would be to establish a proper system of double-entry accounting with sufficient oversight to guarantee the probity of EU officials. [The Public Accounts Committee of the House of Commons and the National Audit Office have procedures, including the Chairmanship being in the hands of a leading member of the Opposition, which comprehensively deal with the problem of fraud and incompetence. This is an adequate safeguard of our parliamentary system, whereas the EU Court of Auditors, for all its efforts, continues to be unable to sign off the accounts; yet nothing changes. The Public Accounts Committee, as with other parliamentary procedures, although constantly in need of reform, provides the basis on which parliamentary accountability can be sustained.] Fraud continues to run rampant in the EU. The Union's accounts have not been signed off for nine years, and there has been "a vast campaign of looting" from the EU budget. This is after the entire Commission was forced to resign over corruption in 1999. Indeed, in response to that fiasco, British Vice-President of the European Commission Neil Kinnock was given a specific brief to eradicate corruption, yet the last year of his term has been dominated by the Eurostat scandal, involving millions of euros in taxpayers' money being siphoned off into private bank accounts. Once again, the whistle-blowers, not the embezzlers, have been the ones facing the sack.

Of the money that is not looted by officials, much is misallocated. EU regional subsidies are handed out partly on the basis of political negotiation, and their result is often that local economies become dependent on subsidies. The Common Agricultural Policy, which costs the average British household £20 a week, has been a disaster for Third World development, whilst in 2001, 56% of EU overseas aid did not go to poor countries. This is why the Conservative Party is committed to taking back our overseas aid policy in full – a policy commitment that we could not fulfil under the Constitution. The Common Fisheries Policy, which the Conservatives are also committed to restoring to national control, has largely destroyed our fishing industry, as well as creating an ecological disaster in the North Sea.

Taking on the Competition

T He final negotiations on the Constitution entailed some slipping through of important changes. Competition policy, for example, became an exclusive competence of the EU under the final text. The Chairman of the European Scrutiny Committee wrote to Patricia Hewitt at the Department for Trade and Industry for an explanation. She said it wasn't a top priority in the negotiation.

Draft provisions on energy supplies sneaked back into the text. These had been removed after lobbying from the oil industry, but reappeared at the last moment, in revised form. [In the last few days, BP has been calling for an EU energy policy]. The Government's White Paper says that these provisions are about liberalising energy markets, but this is disingenuous. They provide for the partial

ceding of control over energy policy and supplies – vital levers of the economy – to the EU.

The arms industry has been less alive to the threats posed by the European Constitution. As part of plans for a common European defence (an aspiration that has been diluted, but remains in the Constitutional text) there is to be a European Armaments Agency. In fact, this was set up shortly after negotiations were concluded and now awaits a legal basis for the expansion of its activities, in the Constitution.

The Agency represents a consolidation of the military-industrial complex across Europe. This has several severe implications: for the independence of our arms procurement (any partner in the Agency could effectively deny the UK access to hardware and *materiel*); for the quality of military construction projects in Europe, assured by healthy competition (remember the Eurofighter?); and for the future of our domestic arms industry, which will be at the mercy of EU policymakers. It is the planned role of the Agency that has facilitated the Government's recent Defence Review. This will save a little money in the short-term, but at the cost of huge long-term financial and political risks and the emasculation of much of our foreign and defence policy.

Don't Stop the Press

AVING GRASPED the nature and scale of the draft European Constitution, the British press acted effectively, putting sustained pressure on the Government to hold a referendum. This pressure must be maintained to stimulate turnout, so that the size of the "No" vote sends an unmistakable message to the Euro elite that the British people will not accept a European state.

The campaign for a referendum was a breakthrough for coverage of EC/EU affairs in the UK, which has tended to be sporadic, sparked off by lobbying efforts and often focussed on the anecdotal. Events in this field are however constantly unfolding, and are now heavily integrated into our national life. Most of our new legislation now has a European origin and our domestic politics is conditioned by what goes on in Brussels.

After the general election, the referendum on the Constitution will be the big, forthcoming political event. Our media would do a service both to themselves and to the British people by throwing constant light on the European dimension of contemporary politics, not least of which because over 60% of legislation, affecting the daily lives of the electorate and the running of our economy, including the whole question of public spending in all areas of governmental function.

The Way Forward

T is vital to ensure that we win the referendum. It is also vital, however, to consider in advance what we will do afterwards. The defeat of the Constitution in a referendum will not be the end of the matter – hardly even the end of the beginning. It will result in the European Council re-convening to consider the position. We must have staked out our position in advance of this.

What the British people want is clear: less and better Europe. The way to accomplish this is to renegotiate our relationship with the EU so as to achieve an associate status, backed by the only bottom line that counts – the real threat of withdrawal.

Meanwhile, we must start the process of reform here in Britain with two Bills, both of which I have already introduced into Parliament. The first, the Sovereignty of Parliament Bill, would put into statute the obligation of our judges to comply with our laws should they

expressly conflict with any provision of EC law. The second, the Memoranda of European Derivation Bill, would identify the European origin of any new domestic legislation with a European derivation (that is, most of it). Equipped with these tools, a Conservative Government could begin the process of proper deregulation – and the preservation of our democratic system. This, in combination with an insistence on associated status, would also show our European partners that we mean business.

This Party Conference is the crucible of policy for the general election manifesto. The Conservative Party owes it to the British people and to ourselves to promise a positive roadmap for the future – one that reveals the sunlit uplands of our future relationship with our voters, based on clearly defined principles, without prejudice to co-operation as compared to co-ordination within Europe and the world.

There are specific principles to which we must adhere: firstly, the commitment to our voters and our democratic system of government; secondly, to our system of laws, as prescribed by their Parliament on their behalf; thirdly, that we run our own economy and provide freedom for the business community and the dismantling of burdensome regulations, many of which come from the European Union's social agenda; fourthly, the opening of global markets, enterprise and risk; and fifthly, the security of our nation in an increasingly unstable and unpredictable environment affecting the Special Relationship, our commitment to NATO and our overall security through foreign policy, defence and antiterrorism measures.

The Constitution would be a forced marriage – what we want is a coherent network of relationships throughout the world, including Europe, but without prejudice to our right to enter into separate trade agreements and other treaties, within Europe and the rest of the world. It is absurd that the Conservative Party should be kept *in hoc* to a small group of Europhiles who have lost all credibility with the public⁶. This is the most important political question of our lifetimes – we must get the answer right, in the national interest.

APPENDIX: MYTHS AND REALITIES

IN HIS STATEMENT TO PARLIAMENT on the Treaty Establishing a Constitution for Europe, on 21 June 2004, the Prime Minister set out some "myths" which he said the Constitution "demolishes". Here is a list of those so-called "myths" and the truth behind them:

- The UK will lose its rebate. There were proposals in the draft Constitution to take away the national veto over arrangements for the EU budget, so that the UK's budget rebate could be voted out of existence. The rebate remains under threat despite the retention of the veto in the final version of the Constitution. Since Tony Blair made his statement to Parliament, the European Commission has revealed new plans to scrap it.
- The UK will lose its seat on the UN Security Council. Whilst the UK will retain its seat on the Security Council under the Constitution, we must "defend the positions and interests of the Union" in that forum and will be obliged to let the Union Minister for Foreign Affairs present the EU position where one exists.
- Brussels will seize control of our oil supplies. A new area of EU powers, over energy, was introduced into the Constitution, then removed, then reintroduced in a watered down form in the final version. Meanwhile, in August 2004, the EU Energy Commissioner renewed calls for an EU oil reserve.
- The UK taxpayer will pay for other EU countries' pensions. This suspicion arises from the fact that many other EU countries'

pension systems are severely under-funded whilst the UK's system, despite great damage done by the Government, is still sound by comparison. There is no express reference to pensions in the Constitution, but the principle of 'burden-sharing' among Member States is strengthened and the European Court of Justice has a record of making judgements on the basis of the 'spirit', rather than the letter, of the text.

- We will have to give up control of our army to Brussels. References in the Constitution to 'a common defence' were watered down, but it remains the premise on which the common security and defence policy is based. The European Armaments, Research and Military Capabilities Agency, which has already been set up, is designed to bring that common defence about. This year's Defence Review was the first practical step.
- We will be forced to join the euro. The UK's euro opt-out was negotiated anew only at the eleventh hour, hence the suspicion that the Government was preparing to abandon it. Despite its retention, there are a number of provisions in the Constitution that tighten the screw on non-euro members of the EU, such as the UK, whilst excluding us from extra areas of decision-making.
- We will be forced to raise our taxes. Application of the existing rules of the Stability and Growth Pact would require the Chancellor either to cut spending or raise taxes over the next few years, whilst tax harmonisation may yet prove to be the effect of the Economic Provisions of the Constitution.
- Our foreign policy will be dictated by Brussels. Article III-195(2) of the Constitution states: "The Member States shall support the common foreign and security policy actively and unreservedly in a spirit of loyalty and mutual solidarity [and] shall work together to enhance and develop their mutual political solidarity. They shall refrain from any action which is contrary to the interests of the Union or likely to impair its effectiveness as a cohesive force in international relations."
- We will lose control of our borders. The UK's Schengen opt-out on border controls, like the euro opt-out, was negotiated afresh only at the last minute, hence the suspicion that the Government was preparing to abandon it. For practical purposes, however, the Government has already lost control of our borders and is already participating in the creation of a common asylum policy. There are signs that it may adopt the common immigration policy under the Constitution as well based on the principle of 'solidarity', as opposed to the concerns of national electorates.

THE PRIME MINISTER'S STATEMENT also set out some myths of its own...

- We are in the EU for the benefits of the single market. You don't have to be a member of the EU to enjoy the benefits of the single market, you just have to belong to the European Free Trade Area. Conflating the EU with the Single Market is one of the Government's favourite dissembling tactics on Europe.
- We are in the EU for the strength it gives us in trade negotiations with powerful countries like the United States and Japan. Whilst negotiating in a bloc gives the bloc clout, it means that our national interests are lumped together with those of all the other EU Member States. What's more, the Prime Minister's example admits by implication that Japan succeeds in being a powerful trade negotiator despite acting alone.
- The EU's network of aid and trade relationships make an important contribution to international peace and security and development. Only 44 per cent of the EU international aid budget

for 2001 went to poor countries. The greatest contribution the EU could make to international peace, security and development would be to abolish the wasteful and damaging Common Agricultural Policy.

- The EU is the most successful way anyone has yet devised of managing the relations between European countries whose national rivalries had, until 60 years ago, been settled only by wars. The crucial factors in the ending of major European wars have been the collective security guaranteed by NATO and the spread of democracy in Europe. Democracies do not go to war with each other whether or not they are members of the EU is irrelevant.
- The power of the EU has helped eight countries of Eastern Central Europe achieve democratic stability. The USSR used to make similar claims about these countries when they were its satellites.
- The power of the EU is transforming Turkey into a modern, democratic state. The great political transformation of Turkey took place after the First World War. Recent developments have been insignificant by comparison. Turkey's level of modernity and the quality of its democracy are in reality only minor factors in whether it is eventually invited to join the EU.
- The EU is helping achieve peace in the Balkans. Better late than never.
- Every EU Member State government welcomed the Treaty Establishing a Constitution for Europe. The two Member State governments that blocked the Treaty in December 2003 (under Miller in Poland and Aznar in Spain) have both gone. No one was willing to spoil the party this time, but it is well known that few national Governments welcomed the final text in private.
- Many other Member States share the British view of Europe's future. The British people's view of Europe's future is rather different from that of the Prime Minister. Other Member States and their peoples have their own views the idea of a shared vision is little more than a propaganda tool. This is why the Constitutional model of Europe is inappropriate in principle.
- Opponents of the Treaty Establishing a Constitution are operating on the basis of a narrow nationalism, rather than the real British interest. New Labour and the Liberal Democrats are unmoved by the claims of their country. The Conservative Party is, and always has been, the party of the national interest.
- 1 A Cost too Far: an analysis of the net costs and benefits for the UK of EU membership, by Ian Milne, July 2004.
- 2 Speech to the European Democrat Union Summer University, London, 19 July 2004.
- 3 Lords Hansard 21 May 2004, Column 1002 emphasis added.
- 4 EU Law and British Tax, which comes first? by Alistair Craig, Centre for Policy Studies, 2003.
- 5 Article I-11(3) emphasis added.
- 6 In a YouGov poll for the Mail on Sunday, published on 12 July 2004, only 20% of respondents thought that the Conservative Party should support Britain signing the European Constitution, as opposed to 36% who thought the Party should continue with its present policy and 28% who thought that the Conservatives should promise to withdraw from the EU.

Bill Cash is Conservative Member of Parliament for Stone and chairman of the European Foundation.

'And they said Lord behold here are two swords. And he said unto them, it is enough' Luke 28, Verse 38.

by Jacob Rees-Mogg

This one verse of the Bible provided medieval scholars with a lifetime's work. To whom did power belong? Did the Church have both temporal and spiritual power or had the temporal power been delegated? Should the Emperor be subject to the Pope? Ultimately, it was established that the two swords were separate, that religious authority properly belonged to the Church and secular power to the State. Although there is some intermingling with the Queen being head both of her Church and the State loyalty to her in one sphere is voluntary, in the other a matter of duty.

This settlement – which took centuries and many wars to achieve – is now under attack in the European Parliament. An obscure German bookseller wants to deny the right of Roman Catholics to follow the spiritual teaching of the Church if they are to play a part in the secular European Commission. Martin Shulz is the leader of the Socialists in the European Parliament and a bitter opponent of Silvio Berlusconi, who humiliated him in the European Parliament.

Secular authority has often been hostile to the Church. There is a great deal of jealousy of its power and wealth. This is exacerbated by its ability to influence people voluntarily without the compulsion needed by the State. Politicians are envious of the trust and regard in which the priesthood is held when they themselves are not trusted and often not liked. The higher calling of religion is not surprisingly upsetting for those dealing with the minutiae of daily life.

Left wing politicians are the most hostile to the Church and to organised religion. The left believes that the world is perfectible if only people would do what they are told. The Communists and the Socialists expect that efficient planning and control will lead to heaven on earth. The Church know that man in his fallen condition is not perfectible except through Christ and the grace of God. This is not difficult for the right to understand because it has no plans to create a utopia and expect to deal with the world as it is. The left find the concept of original sin extremely difficult because it makes its efforts at perfecting human nature worthless for even if it succeeds for a time by the next generation it will fail.

So a clash between a Church that is aiming to save souls in the next world by preaching a Gospel of forgiveness for those who acknowledge their fallen nature and a left wing who aims to solve all ills now is not unexpected. Indeed, it has continued for centuries, sometimes with the left being represented by people who were Christian, as with the Puritans is England in the 17th century. Occasionally it has been very bloody, as with the French revolution where many in holy orders were murdered and during the Spanish Civil War, when the Communist massacred priests.

So we come to Shulz versus Buttiglione. Often those who are called to stand up for the faith are objectionable individuals. St Paul himself was a Pharisee who had persecuted the fledgling Church. St Thomas Becket was a stubborn man, sometimes defending terrible abuses. St Thomas Moore was a great heretic basher and even the great St Peter denied Christ. The fact that

Buttiglione has said and done some foolish things proves that the essence of the matter is his faith. Shulz could have questioned him on a range of other issues but chose instead to ask about sin. Mr Buttiglione gave the orthodox Catholic answer but added that he recognised the division of authority between Church and State so that sin and crime are not and ought not to be the same.

The left is not happy with this. It wants to extend the power of the secular authority to cover religious teaching so that nonpolitically correct views may be extirpated. This is part of a new campaign against Christianity by secular forces. The Spanish Government is attacking donations to the Church in an effort to undermine its influence. A German court has damned nuns from wearing their habits when teaching and the European Constitution refused to mention God. This is the same left wing influence that under Communism tried to destroy the Church in Eastern Europe and Russia. Since Russia has become free the Orthodox Church has blossomed while the Catholic Church saved the Polish nation and the Holy Father was crucial to defeating the great evil of Communism.

It is the duty of all those who love freedom whether believes or not to oppose this encroachment into the spiritual lives of the faithful. In Euro-speak it is not and never can be a 'competence' of the European Union.

Jacob Rees-Mogg is a director of Lloyd George management, an international investment company.

You Will Be Assimilated

by Owen Paterson, MP

On Tuesday 5 October, in an obscure committee in a meeting room buried deep in the labyrinth of the European Parliament, a group of largely unknown politicians met – an event almost entirely unreported by the popular media.

Yet this had an enormous significance for the fishing industry as the event was the meeting of the European Parliament fisheries committee (known in the jargon as 'Pech') and their task was to interview another little known politician who, by accident of history, is for the next five years to become the European Union commission's fisheries supremo – Joe Borg, the Maltese commissioner.

It is perhaps unfair to note that this commissioner designate shares his name with a species of fictional aliens in the television series Star Trek, half man, half computer, which terrorise the galaxy by capturing other species and turning them into clones of themselves. Invariably, prior to capturing their unwilling recruits, the

Borgs utter their now famous catch-phrase, "Resistance is futile – you will be assimilated."

British fishermen could, nevertheless be forgiven for believing that this is precisely the process which they have undergone. A once-proud national fleet has been steadily whittled down to a bare shadow of itself, while measures are finally in hand to integrate (or 'assimilate') it into a European Union fleet, bearing the single flag of yellow stars on a blue background.

An important stepping stone in that pro-

cess is the creation of a single, EU fisheries inspectorate, with its own resources, its own inspectors, and even its own fleet of vessels, and that ambition came that much closer when the European Council approved in principle the Commission's plans to establish a Fisheries Control Agency in Vigo, Spain – described by journalist Charles Cover as the "world capital of illegal fishing".

This plan came up for scrutiny to the House of Commons on 8 September, before an equally obscure committee, known as the European Standing Committee A. There, Fisheries Minister Ben Bradshaw sought to convince us that this new agency was merely a means to promote "coordination and fostering co-operation between Member States".

As Shadow Fisheries Minister, however, I opposed this plan, not because my party is against "co-ordination and co-operation" but because I had read the Commission's proposal, known as COM(2003) 130 final – which the minister admitted he had not. There, in black and white, the Commission stated that the agency would "assume leadership in the deployment of means of inspection and surveillance". In my view, as I told the minister, "that means that the new agency will ultimately be the top decision-making body."

Mr Bradshaw – despite not having read the crucial document – was quick to deny my claim, but things have now come to a head with choice of Joe Borg as Fisheries Commissioner. In his written submission to the Pech committee, he makes no bones about the role of the new agency.

It is "intended to organise the joint deployment of the means of control and inspection", he writes, in a document that would have been heavily guided by his future officials. The word 'organise' is highly revealing. Its meaning is quite clear: organise means to take charge. It is not, as Mr Bradshaw would have it, "co-ordination" or "fostering co-operation".

Neither does it stop there. The Agency will, according to Joe Borg, have to approve "joint deployment plans", on the basis of "identified criteria, benchmarks, priorities and common inspection procedures". By any measure, the Agency will be calling the shots, making it what the Commission described as the "controller of the controllers" – the ultimate fisheries enforcement authority.

In addition to this, the Agency will have control of a new EU fisheries monitoring centre, which will use satellite monitoring to track fishing vessels in the waters of EU member states. More than likely, the satellites will be part of the EU's Galileo and Global Monitoring for the Environment and Security (GMES) systems, giving it exclusive access to the information needed to monitor fishing vessels. The Agency, therefore, will be best positioned to direct inspection vessels, putting it in the driving seat when it comes to controlling the inspection efforts of member states.

But, according to Mr Borg, the Agency is also considering operating its own fleet of inspection vessels, which it intends to charter and man, charging them out to member states which are willing to use them. Already, the precedent has been set for independent agencies, rather than navies, to patrol fishing grounds, with the Scottish Fisheries Protection Agency operating two vessels for fisheries enforcement.

By coincidence, or so it would seem, the seven Royal Navy Island Class fisheries protection vessels are being replaced by three, larger River Class vessels but, unusually, they will not be owned by the Royal Navy. Instead, they have been chartered by the MoD for a remarkably short five years.

With the EU Agency planned to commence operations in 2006, this would rather conveniently mean that three modern patrol vessels will become available shortly after it has become established, and my suspicion is that the current government

would be only too pleased to get rid of fisheries enforcement, and hand it over to the EU

Towards the end of this decade, therefore, we may see grey-painted ships, bearing the blue flag with a ring of stars, manned by EU inspectors, patrolling our seas, guided by an Agency in Spain using EU satellites to direct operations.

It is by no means fanciful, either, to suggest that the Agency will operate its own surveillance aircraft – as does the Scottish Fisheries Protection Agency – and some will see these developments as an embryonic EU navy and air force.

Although this might be some time in the future, the plans are being laid on the ground, here and now, as the evidence of Commission proposals and Joe Borg's submission testify. They are momentous changes and they are not being given the attention they deserve. I have made my concerns known through the Commons committee and it is now time, in my view, to start ringing alarm bells.

As the captain of the Starship Enterprise has so often shown, resistance is not futile. The Conservative Party is firmly committed to re-establishing local and national control of British waters, up to 200 miles or the median line; we will achieve this preferably by negotiation but if necessary through domestic legislation.

I have already been to the Faroes and Iceland to see successful fisheries run by sovereign states. I have just returned from Newfoundland, Nova Scotia and New England, the positive and optimistic lessons from which I will be incorporating in my Green Paper on fisheries, to be published later this year.

Owen Paterson, MP, is Shadow Fisheries Minister and wrote this article originally for Fishing News

... news in brief

EU wants to continue to negotiate with Iran

The EU foreign ministers are intending to continue their negotiations with Iran over its nuclear power programme and to reach an agreement by the end of the month. The EU Council President, the Dutch Foreign Minister, Bernard Bot, has said that he hopes the government in Tehran will send out different signals from the parliament: on Sunday, Iranian deputies voted a law shouting "Death to America" and "Allahu akhbar", the purpose of the law being to require the government to continue the atomic energy programme. Iran's President, Mohammed Khatami said that he was optimistic that the disagreement with the US on the nuclear

programme could be solved. The US accuses Iran of trying to build nuclear weapons. The German Foreign Minister, Joschka Fischer, has said that the discussions with Tehran are very difficult. Khatami has said that if the EU respects Iran's right to use atomic energy for peaceful purposes, then Iran was ready to guarantee that it was not seeking nuclear weapons. Iran might even be ready to freeze its programme of enriching uranium. EU representatives and Iranian officials are to meet again: the EU has set a deadline for the end to the uranium enrichment programme, the end of the month. It has said that if Iran does not respect this deadline, then it will join the USA in taking the issue to the Security Council of the United Nations. [Handelsblatt, 2nd November 2004]

The Belgian Disease

Jean-Paul Floru summarises a recent London lecture on whether the government can deliver happiness through legislation which developed into a debate on how to tackle "The Belgian Disease".

"We must never forget that Hitler obtained a democratic mandate," observed guest speaker Professor Steven Schwartz (Brunel University). The Adam Smith Institute was hosting one of its very popular early evening lectures, where people of all age groups and from all walks of life discuss the principles of individual freedom.

His remark provoked a poignant question from the floor: "How to change the system if a democratic majority of the population lives directly or indirectly from state handouts?" In other words: The Belgian Disease. Where a majority says to the minority: "Give us your money."

With a population of 10 million, Belgium employs about 1 million people in the state sector. Another million are full or part time unemployed. Add to these pensioners, people on incapacity benefit and poverty allowances, and their immediate family members, and one has a clear majority of the population. Belgium is by no means the only continental country which suffers from this disease. It appears to be contagious. Initial research suggests that it has infected a majority of the populations of Germany and France. It is thought the strain originated in Germany - on the continent the political system under which it survives is sometimes called the Rhine Land Model. The first recorded symptoms occurred under Bismarck, who contaminated his people with a welfare state system to prevent the deadly disease of socialism. For the sake of the argument we will discuss possible cures in the light of the clear-cut case of Belgium.

For the last 50-odd years Belgium has not known any exciting political upheavals. Election after election, the diseased population returns the same policies to power. Which parties or politicians are in power is irrelevant, as they all believe in the welfare state.

In the eighties some thought a cure was near. The then young chairman of the Flemish Liberals, Guy Verhofstadt, was portrayed as the Flemish Thatcher. He wanted to privatise. He wanted to cut taxes. The whole political establishment shunned him and after ten years in the wilderness he changed his tune. And guess what? After that the majority allowed him to become

Prime Minister. So it is that his last two governments want to 'fine tune' the welfare system, rather than to reform or abolish it. How to change this impasse?

"You can emigrate," someone in the room suggested. London is overflowing with Belgians and other continental European citizens. It is a mistake to think that they only consist of bankers or highly educated professionals. Walk into any restaurant of the West End and the staff, if not French, is bound to be Spanish, Italian or Polish. London benefits from Belgian cleaners, Belgian shopkeepers, Belgian travel agents, and Belgian lawyers. The flow is largely one way traffic: few Brits work in Belgium, unless they have been sent there by their international employer or are taken on by the European institutions. Once the initial lure of good food and cheap flats has waned off, most of them quickly return. The fact that after two years they become liable to Belgian tax rates plays no small part in the hasty retreat. One can compare the population streams from continental Europe with the net population migration out of Britain before Thatcher, and the net positive migration after she transformed Britain.

"Laws which suppress minorities are unjust. Therefore minorities are allowed to infringe them. Civil disobedience is the way to go. One should withdraw into the black economy. The black market is the free market." This remark came from a fellow Belgian. Dodging laws and taxes are heresies in Britain, and the silence at the ASI did not surprise.

The black economy is huge in Belgium. It is a widely accepted topic of conversation at dinner parties. Everybody is at it, and those who deny it are probably lying. In Belgium few would dream of asking for an invoice from a plumber or a builder, unless they can deduct it from their corporation tax. The plumber or builder is likely to refuse the job if it's to be 'in white'. I once heard a salesman tell his client: "If you want an invoice, you must go to someone who will give you one." The size of the black economy becomes visible in the abundance of goods or services which can be purchased with black money: restaurants, antiques, expensive cars.

Brits are law abiding because they suffer less regulations and taxes. This is also why European regulations hurt so much harsher in Britain than in continental countries: the Brits follow the rules, the others usually don't.

"The Constitution should protect the minorities." Wrong again. Britain does not have a written constitution, and so the mechanisms by which written constitutions operate may be less clear. I do not have exact numbers, but the Belgian Constitution has been changed many times by qualified majority over the last fifty years. Its Constitution means very little. Its worthlessness is very good ammunition for the opponents of the coming referendum on the European Constitution.

"In the end people will choose for change. They will turn their backs to zero growth. Look at what happened in New Zealand," said Professor Schwartz. The problem is that the decline of welfare states is usually not severe enough to make people change their voting patterns. Usually countries like Belgium, France and Germany still have a 1 or 2% annual increase in GDP (when the growth is occasionally higher Belgians think a new Golden Age has reached their shores). The economies in free countries like the United States and Britain grow much faster, but the average Belgian wouldn't notice this. As long as they have forty channels on cable and a weekly steak frites, they won't rebel. It is only when they go on holiday to the UK that they suddenly realise their euros are worth nothing. They then do not realise why this is so. Many European politicians see the European construction as a method to shield the population from the economic reality: that socialist Europe is declining, and that in twenty years time it will no longer have much input in the world economy and thus world politics.

Is Belgium lost? Belgians can only hope that the economic decline will become so severe that people revolt at the ballot box. But by then all the free marketeers may have left for sunnier shores.

Jean-Paul Floru is a non-practising solicitor.

Should EU Vote for an Early Christmas for Turkey?

by Struan Stevenson, MEP

THE BIG DEBATE now unfolding in Brussels is about whether or not Turkey should become a full Member of the EU. The Turkish Prime Minister - Recep Tayyip Erdogan - was in Brussels recently setting out his stall. He seems to have done a good job in convincing the European Commission. He had to reassure them that torture and human rights abuse are a thing of the past and that adultery will not become a criminal offence in Turkey, despite his known support for the policy. This controversial proposal had been part of a package of laws set for approval in Turkey and now shelved following protests from the EU. The shelved package also contained proposals to ban virginity tests, outlaw honour killings, ban the forced marriage of a female victim to her rapist, and outlaw genocide and people-trafficking. All of these things will, at least in the meantime, remain legal in this aspiring Member State.

But this is not why there is a growing nervousness about Turkish accession, particularly from the Germans, who claim that they are simply keen to protect Europe's Christian heritage. Germany currently enjoys the position of being the EU's biggest Member State with the biggest population (82 million) and therefore with the biggest number of MEPs and officials. But Turkish accession would see even Germany swamped. The population of Turkey is currently 71 million. It is estimated that by the time they join the EU in ten to 15 years, their population will have risen to 110 million, while the population of the rest of Europe will have slumped. This is what really worries the Germans. They fear the loss of their dominant position in the EU and perhaps with good reason.

There are already an estimated 15 million Muslims within the 25 existing Member States. This would mean a Muslim bloc of over 125 million in an expanded Europe of 575 million people. In other words they would have almost a quarter of the total population of Europe. They would be hugely powerful and Turkish officials would dominate many of our key European institutions. Once Albania and Bosnia with their predominantly Muslim population of around 12.5m join the EU, the situation will become even more pronounced. This is dangerous stuff.

It is nevertheless worth remembering that Turkey is a secular state and has put a great deal of effort into fulfilling EU membership criteria. She has been a stalwart member of NATO for 50 years. She has a flourishing democracy, a lively free press and a stable government.

It would be dangerous folly suddenly to announce that all of their hard work and effort had been in vain and that she was no longer welcome in our exclusive Christian Club. This could bring about the downfall of the secular government and would play into the hands of the fundamentalist Islamo-Fascists. Clearly this is not an option.

But to offer full membership to Turkey could sow the seeds of destruction of the entire Community. Turkey is not only very large, it is very poor. Its population enjoys a standard of living roughly a quarter that of the average across the existing 25 Member States. It is predominantly an agricultural economy with one third of its people engaged in farming, so the impact on the CAP, currently straining at the seams because of Poland's accession, would be enormous. There simply isn't enough money to go around. Even Commissioner Fischler sounded stern warnings about Turkish accession in a recent speech.

The UK is one of the big net contributors to the EU budget. We pay in £4 bn per annum more than we take out. More than £2 bn of this goes directly to farm subsidies under the much discredited CAP. In other words, we are subsidising our direct

competitors on the Continent, while our farmers struggle to survive. The Commission announced recently that £1.8 bn has gone missing from the CAP budget. This is money that has been fraudulently claimed, mostly by fictitious olive growers in Italy or non-existent wine growers in France. The money has just disappeared. It cannot be reclaimed. It doesn't take much effort to imagine how much worse the situation could become after Turkish membership?

According to the Commission, Turkey would absorb up to £18.4 billion a year in subsidies when it joins the EU. That is £160 a year for every 4-person household in Europe. Turkey's farmers would get £5.5 billion a year in subsidies. The Commission says that for at least the first ten or fifteen years of membership, Turkey's economic contribution to the Community would be minimal. In other words Turkish accession could destroy the CAP and possibly destroy Europe. There must be another way.

If Europe continues to pursue the Franco–German vision of a politically integrated, European Superstate as envisaged by the EU Constitution, then Turkey must not be allowed to join. On the other hand, we should welcome Turkey into a Europe shaped by the Conservative vision – A Common Market – a Europe of independent nation states working together to create a flexible, dynamic single market, taking down the barriers to trade and creating jobs and prosperity for all.

A European Superstate dominated by France and Germany would be bad enough. A Superstate dominated by Turkey, France and Germany would be intolerable, unworkable and could ultimately destroy the community.

Struan Stevenson is a Conservative MEP for Scotland and Party Spokesman on Fisheries and Deputy Spokesman on Agriculture in the European Parliament.

... news in brief

Northern League against European Constitution

In a cabinet meeting, the three ministers from the Northern League in the Italian Government, including Roberto Castelli, the Minister of Justice, have voted against the law providing for ratification of the European Constitution.

Castelli said that his party would also vote against the Constitution in Parliament. But he said that the opposition was more about method than substance. Silvio Berlusconi announced at the signing ceremony on 29 October that the Italian Council of Ministers would vote on the new treaty the same afternoon, "the first in Europe". The motion voted in the Council of Ministers will enable the treaty to be submitted to Parliament. Berlusconi said that the League's vote was predictable and that, in any case, the Constitution would be supported by a large majority in the Italian Parliament. [Corriere della sera, 29th October 2004]

Lord Hanson

A tribute from the European Foundation

James Hanson personified the British entrepreneurial spirit set free by Thatcherism. During the 1980s, he and his old friend and partner Gordon (later Lord) White were able to build on their existing successes so as to create a vast and highly profitable transatlantic business. Though sometimes denounced as predatory, their corporate strategy was based on the sound principles of efficient management and delivering shareholder value.

Hanson realised that it was necessary for entrepreneurs to engage with politics if Government was properly to understand the needs of business. He was a lifelong Eurosceptic who supported the aims of the European Foundation and he contributed to the European Journal. His companies contributed to the Conservative Party from 1968. The high watermark of his involvement in politics was his support for Margaret Thatcher during the Westland crisis, when Michael Heseltine had planned to use the demise of the company, which Hanson helped avert, to spur European defence integration.

As well as being an exemplar of enterprising capitalism and constructive engagement in the political process, Lord Hanson was a man of exacting standards and great personal charm. His is the loss of a great figure in British public and private life.



Please note our new mailing address effective 29 November 2004

The European Foundation 7 Southwick Mews London W2 1JG

All written correspondence and subscription renewals should be posted to our new address. We are awaiting installation of our new telephone/ fax lines and will notify you as soon as these numbers become available.

All email and website addresses remain the same.

The Commission is Dead. Long live the Commission.

by Paul Howard

LAST WEEK the president of the European Commission, Jose Manuel Barroso, decided to withdraw his proposed team of commissioners in the face of much self-righteous wrath fomented in the European Parliament by prospective Italian Commissioner Rocco Buttiglione's illiberal views on homosexuals and women.

Cue much gnashing of teeth and wringing of hands from distraught commissioners and other guardians of the EU project at this demise. Cue also much disingenuous and deceitful trumpeting of a victory of democracy for the people of Europe.

Thanks to the Parliament exercising its power of veto over the proposed Commission, so the argument goes, a blow has been struck for the people of Europe over the seemingly unfettered powers of the Commission. Directly elected MEPs have unseated government appointed bureaucrats, de-railed the gravy train and the people of Europe are the winners.

Yet such analysis – or spin, to be more accurate – does not bear close scrutiny. For a start, just consider the extent to which the European Parliament actually embodies representative democracy.

Or rather, fails to embody representative democracy. The Europe-wide ratio of electors to MEPs in the current Parliament is a massive one to 480,833. In the UK the situation is even worse: there is one MEP for every 566,000 voters. By contrast, the figure for general elections in the UK, a process from which too many people already feel alienated, is around 68,000. How can any body where representation is diluted by a factor of seven claim democratic legitimacy?

Proof, if any were needed, of the degree of disenfranchisement such lack of representation engenders, manifests itself in two ways.

First, look at the anonymity of 'our' representatives at the European Parliament. Apart from that practised self-publicist Robert Kilroy-Silk, and perhaps Glenys

Kinnock, how many other MEPs have a public profile – and therefore degree of public accountability – commensurate with the power they wield? Without names or recognisable faces it is impossible for us to make them answer for their actions.

Second, consider the appallingly low voter turnout at EU elections. Fewer than half the electorate voted earlier this year – this in spite of four countries having compulsory voting systems. Yet, this is not the fault of apathy or protest against domestic political establishments as has been portrayed by EU spin doctors. It is because the representative democracy it purports to offer the electorate is meaningless. If it means nothing, people won't vote

In fact, the current system of elections to the European Parliament is so unrepresentative as to be positively dangerous. It uses its theoretical democracy as a cloak to disguise the autocratic, inherently federalist and potentially quasi-totalitarian agenda of the EU as embodied by its current institutions

The rejection of the proposed Commission, which on the face of it is a blow to the European project, is a case in point, for it reveals the incestuous relationship between Commission and the Parliament.

Both institutions recognise the need for the fig leaf of democracy to assuage public opinion and ease the passage of the European project. Hence the Commission is prepared to yield various powers to the pseudo-democratic Parliament, including running the rule over the new Commission. By and large the common agenda of the two bodies keeps both parties satisfied.

This symbiotic relationship only comes unstuck when uppity MEPs get above their station and are not dissuaded from exercising their rights by Commission taunts that they are undermining the European project by rejecting the whole Commission.

Or perhaps it only appears to come unstuck.

The apparent setback suffered by the Commission is in fact only a temporary hiccup. The EU in its current form cannot function without a Commission, which is the body responsible for instigating most new EU legislation.

As a result, once the inevitable compromises between vested interests have been reached, a deal that satisfies the Parliament will be done (a deal over which we have even less influence than the shenanigans that characterise the relationship between Blair and Brown) and the relationship will be restored. The Commission will continue its business of enshrining its role through legislation and red-tape, the Parliament will bask in the glory of its apparent political muscle, and the common agenda of a European state will be back on track.

In fact, the Commission (with the possible exception of Signor Buttiglione) will no doubt be secretly rejoicing at the 'setback' of its rejection – especially given the way Eurosceptics have had the wind taken out their sails by the enthusiastic representation of this apparent faux-pas as a victory for democracy.

Nothing could be further from the truth. Not only does the rejection of the Commission further the dangerous myth of European representative democracy (which as we have seen is a sham); it also uses this myth to add legitimacy to the next incarnation of the Commission.

Moreover, it will strengthen the president of the Commission's hand in negotiations with national governments over who should be their representative – further diminishing the role of nation states.

In this context, the real losers of this bout of political infighting are not the Commission. As always, it is true democracy and the inhabitants of Europe who will suffer.

Paul Howard is a journalist and author specialising in international affairs, sport and the environment.

... news in brief

Governor of Sicily accused of Mafia links

Toto Cuffaro, 46, elected in July 2001 on the Berlusconi ticket to the post of President of the region of Sicily, has been accused of complicity with Cosa Nostra, the Sicilian Mafia. His trial, and that of twelve others, will start next February. He has said that he will demonstrate his complete

innocence. "Who knows me knows that I am an enemy of the Mafia and of all Mafiosi." According to the charges, Cuffaro told the Mafia boss in Palermo that he was under judicial investigation. His defenders say that it is significant that he has been accused of "connivance" and not for "violation of the secrecy of enquiry". [Richard Heuzé, Le Figaro, 4 November 2004]

Constitution for Europe (Referendum) Bill

Lord Blackwell,

speaking in the House of Lords, 10 September 2004

Lord Blackwell: My Lords, I beg to move that this Bill be now read a second time.

I am grateful for the time of the House this morning and I would like to thank in advance all those who are participating. I look forward in particular to the maiden speeches of the noble Lord, Lord Laidlaw, and the noble Baroness, Lady Bonham-Carter of Yarnbury.

The purpose of this Bill is to be helpful to the Government in fulfilling one of their most important commitments. I was delighted that, after long debates in this House and outside, the Government and the Minister accepted the case earlier this year for a referendum on the European constitution and committed to hold a referendum before the UK ratified the necessary treaty. That decision properly reflected the crucial importance of this decision to the country. In many ways, a decision on the European constitution represents a crossroads for both the European Union and the United Kingdom.

Following the meeting of the heads of government in June, we now have an agreed proposal for the constitution, with a date for formal signing and publication of the final text on 29 October. As yet, however, we have had no firm proposal from the Government on how they intend to proceed with seeking UK ratification, including the process and timetable for the promised referendum. This Bill is therefore intended to help the Government by providing a mechanism for translating their commitment into an appropriate Act of Parliament and by setting out what I hope is a reasonable proposal for the timing, wording and other arrangements for that referendum.

Of course, I recognise that there may be differing views around your Lordship's House on some of those aspects and I am very open to suggestions that may improve what I have proposed. I hope that the Government themselves will also take this opportunity to set out any alternative proposals that they may favour. However, given the huge constitutional importance of signing up to the proposed European constitution, it is vital that these issues are

properly considered and that there is no question after the event that the referendum process was managed in a contentious way or that the procedure was rushed through without proper consultation. The Bill, it is to be hoped, provides an opportunity to engage in that debate, and to set out amendments in Committee that will allow Parliament to come to a settled view on the best way forward. So, in that spirit, let me now turn to the substance of the Bill.

The first point, in Clause 1, is the proposal that a referendum should be held within four months of the publication of the final text – in other words, four months from the end of October on the current schedule. My argument for this time scale is to provide a sensible balance that takes account of both the need for proper public debate and the desirability of the UK reaching a firm view as early as it can. I believe that an early resolution of the UK's position would be advantageous, which ever way your Lordships believe that decision should go.

For those of your Lordships who will be advocating in the referendum that the UK agrees to this treaty, there must be a strong case for getting the UK's membership confirmed - and current uncertainties removed - as soon as possible in order to allow the UK to exercise its full weight in shaping the institutions, processes and agenda that will follow the formation of the new Union. With Germany, Spain and other major countries now moving to commit to going through their own ratification processes as early as possible in 2005, the worst of all worlds would be for the UK to eventually sign up at the last moment after a prolonged period of uncertainty when we had once again let others make the running. But I suspect others of your Lordships may be able to make that case better than I can.

For those like me who will be advocating that the UK rejects this treaty, however, the arguments are equally strong that we are better off reaching that conclusion sooner rather than later. For the sooner we can start negotiating a preferred outcome – a preferred treaty – the more chance I believe we have of reshaping the proposals in a way

that suits us.

Let me take a minute to explain what that alternative might be. I start with a presumption that, however much the UK population - and indeed much of the continental population - may dislike the drive under this proposed constitution to integrate the countries of Europe into a single European State, the momentum among the political elites of many of our neighbours is such that, unless they are stopped in their own referendums, they will not settle for rolling back Europe to the kind of alliance of nation states that might suit us. If the UK says no, they will, as they have made clear, continue to seek some way by which the core group of EU states can continue down the road to the political integration that they seek without us. Our bargaining power comes from the fact that, as the treaties currently stand, they cannot use the institutions and processes of the European Union as the basis for their more integrated union without our consent; and to contemplate replicating those institutions and the body of laws, case law and acquis that support them in some completely new legal structure would be almost unthinkable in terms of the cost, delay and the loss of the current Community momentum. We therefore hold the trump card if we reject this treaty and seek to amend in it ways that better suit us.

Our opportunity, and one I believe we should grasp, is therefore to have a referendum as soon as possible that settles once and for all, I hope, that the UK population will not agree to be part of a single European state, and with that clarity then engage with our partners to negotiate a new settlement for the UK as our price for allowing them to continue with the closer integration they seek. I suspect that many other members, particularly some of the new ones, would join us eventually in that position.

At minimum this new settlement would be a whole array of opt-outs from the political and constitutional provisions of the new treaty. In shorthand, it would be a position where we were part of the common market, but outside the common political and legal structure, and only engaged in other initiatives across Europe when we had agreed to participate on an intergovernmental basis. And I believe that we are more likely to use our bargaining power to achieve that if we seek to bring that renegotiation about early on than if we delay until most countries have gone through the ratification process and have invested huge legal and political capital in treaties that we then want to revise.

Of course, some will argue that we should simply sit back and wait for some other country to vote against the constitution, and avoid the need to take any decision ourselves. I do not think we can rely on that as solution, nor do I think it would resolve our own situation, since we would still be left unclear as a country as to whether we should be putting our weight and effort behind those seeking to put the proposal back together, or using the situation to renegotiate the kind of alternative that I have described. So it is in our interests to resolve the issue earlier.

Why, then, four months? The answer is that it seems to me to be both the minimum and maximum reasonable time period after the final treaty is published. I am assuming - and I would welcome the Minister's confirmation of this - that the first step will be for the Government, if they wish to recommend the new treaty, to put that in front of Parliament to take a view. However, given that the agreed text has been available since early summer, and has changed only on the margins from draft texts that have been debated and discussed in Parliament and the press for over a year, it seems entirely reasonable to me that the Bill to ratify the treaty should be presented as soon as the new Session of Parliament is sitting presumably at the end of November or December this year.

While the Government may like to gratify all of us today by announcing a very generous timetable for further debate when that Bill comes before us, it also seems likely that, since the substance of the constitution cannot be amended, the passage through Parliament could be fairly rapid. If that were the case, then I believe it would be sensible and desirable to take advantage of the public and press attention that would have focused around the parliamentary debate by putting the issue to the country fairly soon afterwards. I have allowed for potentially one or two additional months of campaigning after the parliamentary vote,

by which time I would suggest that most people will have had about as much of the arguments as they can absorb.

The danger of allowing the debate to go on much longer is that the public will start to lose interest, and we will be in danger of a vote determined by relative levels of apathy rather than by informed public discussion. As I have said, however, I would welcome the views of the Government and others in this House on whether these arguments and timescales are reasonable, or whether we should seek at Committee stage to consider alternative proposals on their merits.

The second clause sets out the proposed question, and the context in which it should be set. I have suggested what I believe is the simplest and least contentious question; namely,

"Should the United Kingdom ratify the Treaty establishing a Constitution for Europe?"

This is, I believe, also the most factually accurate form of the question, since the issue is not just about whether the United Kingdom should sign up to the constitution for itself, but also whether it should agree to the constitution in its current form replacing the current treaties across the whole of Europe.

The appropriate wording of this question is of course a vital matter and one on which the independent Electoral Commission is required to have an independent voice. Indeed, my understanding is that the presentation of this Bill to Parliament should have already initiated that process, and I should be grateful for the Minister's confirmation of that. However, I believe it important that the final wording should be agreed in Parliament through this Bill, incorporating whatever amendments to my proposed wording as are generally agreed to be fair improvements. Again, it would be interesting to hear the Government's view at this stage on both the wording proposed and the process for agreeing it.

The third clause then links this Bill back to the provisions of the Political Parties, Elections and Referendums Act 2000, and acknowledges that the general provisions of that Act will govern the conduct of the referendum unless otherwise amended. For clarity, the Bill makes it explicit that no local or general elections should be held within two months of the date of the referendum. I would not expect that to cause any particular difficulties for the Government, since the four-month timing I have proposed would mean a referendum has to

be held before the end of February 2005, which would still make a General Election possible at any time after the end of April. However, I would of course be fascinated to learn from the Minister if that constraint was seen as cutting across any current election plans.

There was, of course, extensive debate about some of the provisions of the Political Parties, Elections and Referendums Act when it passed through Parliament four years ago, particularly as it affected the levels of funding available to different campaign groups. I have not sought to readdress those issues here, but it is of course open to any noble Lord to take the opportunity, in the light of experience since then, to propose amendments to this Bill at Committee stage that would address any particular areas of remaining concern.

So there we have it, my Lords. I believe that this Bill sets out a very reasonable set of proposals to give effect to the Government's commitment to a referendum, and that it provides a timely opportunity for these proposals to be debated, amended and approved in good order, so as to ensure that we have an agreed process on the statute book through which this major constitutional development can be addressed.

Given the Government's somewhat chequered record in consulting on and gaining consent for constitutional change, I believe that it is particularly important that the process for this constitutional change should be transparent, and that there can be no charge after the event that the timing or handling had been manipulated to affect the result. It seems to me that a Private Members' Bill such as this, which can attract all-party support, is a good route to avoid that charge. I hope therefore, that it will be welcomed by the Government as an opportunity for them to set out their own views on how this process should be handled, and for Parliament to debate and agree the best amendments to what I have proposed, taking into account the views of the Government, other noble Lords and Members of another place during the passage of the Bill. I commend the Bill to the

Moved, That the Bill be now read a second time. – (Lord Blackwell.)

Extract from Hansard, © Parliamentary Copyright 2004

Constitution for Europe (Referendum) Bill

Lord Rees-Mogg, speaking in the House of Lords, 10 September 2004

Lord Rees-Mogg: My Lords, I thank the noble Lord, Lord Blackwell, for introducing the Bill, which has led to what can only be a useful debate in moving forward the referendum that the Government have promised. It is thoroughly helpful.

I should also like to congratulate the noble Lord, Lord Laidlaw, on an excellent maiden speech. It was thoughtful, informed and thoroughly valuable. The House will look forward very much to hearing him in future.

Perhaps I may add a comment from my own knowledge – a knowledge more of the noble Lord's business than of him. For some years in the 1990s I was the chairman of a company now called Informa, which was and is the main British competitor with IIR, the company that the noble Lord created and runs. You get to know the real quality of a company that is your main competitor, better than in any other way – just as the Opposition Front Bench have a shrewd knowledge of the excellent quality of the Government Front Bench.

Not only was the noble Lord's business well run, as one would expect, and very profitable – it was usually more profitable than we were – but the work his business was doing was consistently of real social value and of advantage to this country and to the many other countries in which he was operating. I am glad that we should have someone with his international business experience, at the relatively small-business scale, coming to this House to add to our knowledge.

I am not supposed to congratulate the next maiden speaker on her speech before she makes it. However, to find myself speaking before a maiden speech by the noble Baroness, Lady Bonham-Carter of Yarnbury, has brought back for me the happiest memories of the last Baroness Bonham-Carter of Yarnbury to speak to this House. Lady Violet was a person for whom I had the greatest fondness, for her intelligence and her loyalty to her party. If those noble Lords are sitting on those Benches with a party that to all appearances is now thriving in the country, they owe their position to those who kept the Liberal faith during the dark years of the emergence of the Labour Party and the dominance of the Conservative Party in the middle of the previous century. Therefore, the name

Baroness Bonham-Carter of Yarnbury is a name which I hold in the highest regard and respect.

It is an appropriate moment for us to be discussing this issue. A major change is taking place in the politics of this country, and the referendum project is one which has to be considered in the light of a shift of ideas that is fundamental to our politics. In Somerset we have a number of village celebrations next month to record the anniversary of the death of the great liberal philosopher John Locke in 1704. What seems to be happening is that in all the parties a new spirit which could be described as 'neo-liberalism' is rapidly spreading.

I should like to use today's issue of the *Financial Times* as a document to illustrate the point. It starts with quotations from Mr Milburn, who is taking over responsibility for development of the policy of the governing party before the next general election and for the next Parliament. What he says is therefore of the utmost importance. I hope the House will allow me to read out some quotations at the head of the article.

Mr Milburn starts with what one could call a radical assertion. He states:

"We must not turn back. It is time to push forward."

Perhaps that does not mean much in itself, but he continues:

"A third New Labour term should be about moving power from the state and giving it to the public."

That is consistent with the Prime Minister's change of mind in favour of having a referendum, which some Eurofanatics oppose. I am sure that the Prime Minister was right.

Although I am not sure whether Mr Milburn's comments are from one speech or are interesting extracts from several, he continues:

"Where it is feasible for users to exercise individual choice – as over elderly care or schools or hospital operations – that should be the norm."

Another extract says:

"The balance of power needs to move in favour of consumers over producers."

When one listens to those views as the central beliefs of the man who will decide the policy of the Government as they go into a general election and, if they are re-

elected, the policy of the Government in the next Parliament, what is striking is not how controversial the ideas are but how they have spread through the parties. They have even spread to the figure whom the press, probably wrongly, build up as the great rival to Mr Milburn. I never pretend to understand the internal workings of any parties. A Cross-Bencher should not try.

However, in the same issue of the *Financial Times* the Chancellor of the Exchequer, who is certainly a powerful figure in determining the future of his party, takes a surprisingly similar line about Europe. He says:

"Europe has a special responsibility to rise to the challenge and, starting today, make new commitments on economic reform. This is no time for complacency or consolidation but for pushing forward boldly with liberalisation."

There we have what people might call the two wings of the Labour Party taking the same view. What about the Liberal Democrats over there? Here is an article by Sir Samuel Brittan, who is well known to many of us as the brother of a distinguished Member of this House and who is a leading liberal theoretician in the press. He says, in reference to a new Orange Book, which I regret that I have not yet had the opportunity to read, Reclaiming Liberalism:

"It has for some time been highly likely that some Lib Dems would conclude that the party had more to gain from going back to the free market roots of Liberalism."

As I understand it, the Orange Book advocates courses and policies of that kind. Indeed, the only thing that surprises me about that is that, in other articles that I read, it is clear to me that if I were a member of the party of the noble Lords in the other corner of the House, I should be regarded as a Young Turk and no doubt would regard them as obstacles to change and barnacles on the bottom of the liberal ship.

And what about the Conservative Party? I think that the reshuffle that the Conservative Party has carried out and the August policy statements all tend in the same neo-liberal direction. What, one might say after reading the papers, about the appointment of Mr Redwood back to the Front Bench on the shadow side? But Mr Redwood is not only a neo-liberal; he is an extremist neo-liberal.

So we have a situation in which our politics have changed in a neo-liberal and Lockean direction. What is the situation with the European constitution that is being proposed to us? It is not a neo-liberal document; it is not even a liberal document. It belongs, quite honestly, to the 1950s, when the first work on creating the new Europe was being carried out. It is a document derived from the constitutional ideas of 19th century Europe, some of which were held by well intentioned Popes, some of which were developed in the First and Third Empires by the two Napoleons and some of which were owing to Chancellor Bismarck. Indeed, many of the ideas about the power of bureaucracy to change society derive from the days of the Prussian empire. But it is not in any way a document which shows an underlying liberal ideology.

One can see that in the constitution very clearly. There is no proposed reform of the acquis communautaire. The acquis communautaire has developed over 50 years. Any

institution which has developed over 50 years is ripe for reform. That is universally true in human history. And the fact that the *acquis communautaire* is not only taken totally for granted and is totally protected but that it has also been imposed without change – 85,000 pages of it – on every new member of the European Union shows that this is an anti-radical document and we cannot afford to sterilise Europe at the point at which it is reached.

There is no return of powers to the independent elected national Parliaments – none. Nowhere does it say that powers which in the 1950s, 1960s, 1970s, 1980s or 1990s went to the centre should now be returned in order to get them nearer to the people. There is not a word on that. Therefore, this is a document which must be rejected. We have gone down a blind alley. We have gone backwards in history towards the 1950s and the 19th century and we have produced this absurd constitution, which is itself incapable of reform and an obstacle to

reform

Now we have – I very much welcome it – a Labour Party which is bursting out with all the leaves of spring. It has decided that it is going to be a liberal and democratic party – a decision that some people asked it to take some little while ago. We have a Liberal Democrat Party in which the brightest and best of young people are urging their elders – tugging at their coat-tails – to go back to the fundamental ideas of liberty on which the Liberal Party was founded. We have a Conservative Party which shares this magnificent consensus. And, sitting on the Cross Benches, I can say that there are quite a few neo-liberals on the Cross Benches as well.

We have a European document which is flatly contrary to all those ideas. Of course, it will be swept away. The only question is: when? And the answer is: the sooner, the better.

Extract from Hansard, © Parliamentary Copyright 2004

Advertisement for
The Essential Guide to the
European Union
by Ruth Lea
Centre for Policy Studies

FACTS

by Sean Shortell

Wind taken out of EU whistleblower

The EU concluded a 28-month inquiry with the dismissal of Marta Andreasen without severance pay. Mrs Andreasen questioned a £130 million discrepancy between two accounting books for 2001. She also criticised EU bookkeeping practices in general, calling the £63 billion budget "an open till waiting to be robbed". Tried at a private tribunal, Mrs Andreasen was dismissed, though internal documents support her claim. She is planning an appeal. [The Daily Telegraph 14 October 2004]

member states to have held referendums on the European Constitution by June of 2006. This gives member states just 20 months to take the necessary action in order for a referendum on the European Constitution to take place. Spain is the only state that has so far set a date - 20 February 2005. The formal signing of the Constitution took place on 29 October but the document will not be effective until all member states have ratified it. [Euobserver.com 15 October 2004]

3 Lithuania is first member state to ratify Constitution
Only two weeks after the official signing of the EU Constitution in Rome, politicians in Lithuania made a swift move to ratify the document. 84 members of the 141-strong Seimas (parliament) voted in favour of the Constitution. Four voted against, three abstained and 50 members were absent from the vote, with some of the lawmakers who voted against the document claiming the EU was merely a replacement of former Soviet bureaucracy. Egidijus Klumbys, a member of the National Progress Party, voted against it, stated, the "Lithuanian state will cease to exist. Our constitution will become a piece of worthless paper." The Seimas's decision now awaits the signature of President Valdas Adamkus to formally validate the ratification process. [International Herald Tribune

More money for Euro MPs?

12 November 2004]

4 Members of the European Parliament are seeking a pay raise of £17,000 a year. MEPs claimed the raise was to cover increasing staffing costs as well as an increase in their secretarial allowances. Initially proposed by the Parliament's president, Joseph Borrell, the initiative will become effective in January, if passed by the whole Parliament. Yet, some MEPs expressed restraint in disbursing more money, citing a wellknown scam for MEPs to 'employ' their wives as research and personal assistants. MEPs must produce contracts for their staffs, which include their salary; working hours however are rarely looked into. [The Sun 18 October 2004]

Medical research at high risk from EU directive

The EU's Clinical Trials Directive may severely hinder studies of medical products, thus making it increasingly difficult for academic and non-commercial research to carry out progressive or ground-breaking research in leading fields of medicine. Higher costs and red tape have discouraged scientists from taking on new projects. It's also worth noting that of over 400 doctors, in a survey conducted by doctors.net.uk, only 40 per cent were aware of the new directive and its implications. Many cite poor legislative drafting as the root cause of the dilemma. Essentially, big budget commercial research is unlikely to be affected, while academic and non-commercial research could be severely restricted. [The Daily Telegraph 4 October 2004]

Beckham's Euro snub

O David Beckham has become the latest endorsement target of the 'Yes' bandwagon for the European Constitution. With both sides rallying support for the anticipated referendum on the European Constitution, Beckham is the newest celebrity to be drawn in to the political fray. Many observers expect the football star to snub the Euro-fanatics as they attempt to woo him into endorsing the controversial political issue. As a spokesman for Beckham said: "We have not received an invite." [The Sun 19 October 2004]

Spain questions legality of EU Constitution

Prime Minister Zapatero is leading Spanish debate over the legality of the EU Constitution. He is seeking a legal opinion on whether Article I-16 of the newly signed Constitution conflicts with Spain's own Constitution. For the first time in an EU treaty, the article sees an explicit expression of the primacy of EU law over national law. Zapatero has requested an answer within two months, prior to Spain's referendum which is to be held on 20 February 2005. Despite his concern, the Prime Minister is hoping Spanish voters will accept the Constitution, thus setting an example to other member states. [euobserver.com 3 November 2004]

8 EU net laws causing rough waters for fishermen
The EU's insistence on fisherman using nets with 80mm mesh rather than 110mm has caused widespread disruption among the commercial fishing industry. Aside from being a bane on business, it's also environmentally detrimental. Up to 90 per cent of catches with the 80mm nets must be thrown back, often dead. Some fisherman see such net requirements as purely political, as 80mm nets benefit the Belgians and their fishing of Dover sole, a highly sought after fish that can escape from 110mm nets. [The Daily Telegraph 18 October

Sean Shortell is currently studying Political Science at Marist University in New York state and is a research assistant at the European Foundation.

LETTERS TO THE EDITOR

From Lord Stoddart of Swindon

Dear Sir,

A number of people have protested to me about remarks made by Mr Denis Mac-Shane, Minister for Europe, in an interview in the *Daily Telegraph* of 7th August last.

Referring to Britain in the interview, he said "I am afraid we have got a dark streak of xenophobia and racism in our mentality and our nature. Anti-Europeanism allows it to get a lot closer to the surface." He went on to say "Euroscepticism is a misnomer. What we are talking about is a hatred of Europe and a sense of superiority which has always been the Achilles heel of Britain throughout the ages."

Those remarks were a disgraceful attack on Britain and the British people, their attitudes, beliefs and their history which, if made against almost any other racial group would have brought down a barrage of criticism on Mr MacShane's head from many quarters including, I would have thought, the CRE itself. But criticism has been muted and it seems that Mr MacShane has got away with it and I would be interested to know whether the CRE has taken or intends to take any action and if not, why not.

I should add that, as someone who could be described as a Eurosceptic, having never been in favour of joining the Common Market in the first place and believing that Britain should, in the interests of the economy, democracy and self-government, leave the EU as soon as possible, I do not mind being attacked by Mr MacShane, or anyone else for that matter, for my deeply held beliefs.

I do, however, take grave exception to generalised, ignorant and cruel attacks made on my country and fellow countrymen, especially when such attacks come from Ministers of the Crown. Furthermore, Mr McShane, of all people, should understand that over the centuries British people have sacrificed their lives, property and economic well being to go to the aid of European countries under assault from a variety of imperialist adventurers, including their intervention in 1939 to rescue Poland and Europe from the dictatorship and horrors of Hitler and his Nazis.

A people who make such sacrifices, as have the British, to help their fellow Europeans cannot be xenophobic, racist and anti-European. Certainly, for myself, I like our continental neighbours. I love many of their characteristics, I enjoy their culture and respect their institutions but I simply do not want to be ruled by them. That goes for a huge majority of British people and they should not be subjected to racist attacks for it.

Yours faithfully,

Stoddart of Swindon

Chairman - Campaign for an Independent

House of Lords

From Mr Walter J. Ablett

Dear Annunziata Rees-Mogg,

It was published that there was much amusement when Eurostat omitted showing Wales on its map of Europe.

I was not amused when I obtained a copy of the approved 'EU Map of the EU Regions'. It showed Scotland, Wales and N. Ireland as EU Regions. England was deleted and substituted with nine EU Regions. John Prescott is trying to implement Regions in England but he omits stating that they are EU Regions.

Yours sincerely, Walter J. Ablett, C. Eng Chelmsford, Essex

From Mr Richard Corbett, MEP

Dear Sir,

So, "the European Union wants to scrap the British rebate" according to Annunziata Rees-Mogg (volume 11, number 8). Does it? When did the EU decide that that is what it "wants"? The answer is that it didn't: such a decision would require the unanimous agreement of every member state.

What Ms Rees-Mogg is referring to, of course, is the fact that the European Commission has put forward such a viewpoint. But she should know that the Commission does not decide – it merely proposes.

In this light, her railing against Ms Schreyer as an "unelected Eurocrat" is somewhat misplaced. Ms Rees-Mogg claims

that Ms Schreyer highlights two "inherent flaws in the EU" namely that she is a "stereotypical socialist bureaucrat" and that "she is not elected and has no democratic authority over British tax payers".

In fact, she is a Green, not a Socialist. Her authority, such as it is, derives from the Commission holding and maintaining the confidence of the elected European Parliament (not unlike our own ministers who are appointed but must, collectively, enjoy the confidence of the House of Commons). But she does, in any case, not hold any "authority over British tax payers", as the EU budget is adopted by the European Parliament within a framework laid down by the member states of the EU.

So neither of these "inherent flaws" bear up to scrutiny and the British rebate in any case only be changed if the House of Commons agrees. Time for Ms Rees-Mogg to stop dreaming up scare stories?

Yours, Richard Corbett, MEP Labour spokesman on EU constitutional affairs

From Lord Tebbit

Dear Sir.

I was very sad indeed to that in *The European Foundation Intelligence Digest* of 23 September it had succumbed to Guardian / BBC / Labour propaganda on so-called "far right" political parties.

In the item headed "German Far Right Parties Want to Enter Bundestag" there is a reference to the NPD as one such party. However, Udo Voigt, its leader, is quoted as saying that the goal of his party is to overcome "the liberal capitalist system of the federal republic".

That certainly puts him in the same box as Hitler who led the National Socialist German Worker's Party, Stalin, and more recently, Saddam, the leader of the Iraqi Baathist Socialist Party, but not with any right wing party.

Yours faithfuly, Right Honourable Lord Tebbit, CH House of Lords, London

BOOK REVIEWS

Europe Recast: A History of the European Union

By **Desmond Dinan**, Palgrave Macmillan, 371 pp, 2004, ISBN 0-333-98734-9, £52.50

Reviewed by Dr Lee Rotherham

TV historians can be said to fall into two categories. The first is the AJP Taylor type, who stands in a locked room for an hour and delivers a monologue on Why Things Happened. The second stands in the middle of a field, possibly in a marvellous skimpy Amazonian girly dress, showing with the aid of five foot Saxon axes or Roman ready mix concrete How Things Happened. This book falls in the first category, because there is no cleavage.

The text at times is deadbeat. The author is aware of it, even apologises for it, though revels in having weeded out as many of the acronyms as humanly possible. I am less convinced that dodging the term 'acquis communautaire' was a wise move, however, as by skipping the vocabulary he runs the risk of sanitising the philosophy.

Overall, however, the work achieves its objective of escorting us through the development of the European project in a relatively balanced manner, perhaps redolent of a North American lobbyist's perceptions as recounted to a young acolyte in a bar off the Grand'Place. Now and again we can take issue with the odd interpretation. There are some hiatuses, such as a jump on the relative Euro-enthusiasm of the Dutch during the time of Adenauer. There is a readiness to consider US willingness for UK entry to the EEC as sufficient reason in itself for the UK to join - the British position in the Messina Conference could have been developed more in this context. The etch-asketch map on page 33 of East and West Germany with their capitals is superfluous. And whilst most authors talk of it heating up, this author's reference to a drop in temperature in the Cold War simply confuses. These flaws are, however, survivable.

I suspect that, like me, most readers will find the earlier sections more useful. Perplexingly, the author does not link hostility in France to the European Defence Community with the related European Political Community, despite earlier dismissing political concerns expressed on the issue. But he does intriguingly relate how in 1957, France was already pushing the Social Chapter - to the chagrin of the other five states, who saw it as a competitive burden. EFTA provided some tantalising glimpses of what might have been: Erhard, the father of the German economic miracle and later Chancellor, accepting the EEC grudgingly and preferring the alternative UK offer of a simple free trade area for industrial products.

What is least useful about this work is that it deals in fine detail with the veneer of European development, but occasionally misses the chipboard beneath. The weakest part is towards the end. For instance, John Major is described as having "adamantly refused the Social Chapter" without mentioning the detail that this position was forced on him. The UK opt-outs of Schengen to retain control over its own borders, but the connected issue of ID cards

is ignored. Conservative Euroskeptics [sic] were said to have strength disproportionate to their numbers; but this fails to mention Major's parliamentary majority, or more widespread grassroots feeling. resignation of the Commission in '99 only happened because of the activism of a few MEPs, though this you would never have known. The EU Constitution section is too shallow and deals only with what the governments and Commission wanted to sell as controversial - voting rights, QMV thresholds, Council changes: in short, the institutional twitches and not the real power shifts to Brussels. The extension to QMV is described as uncontroversial and creditable. Whistleblowers are practically airbrushed out, but Kinnock's reforms get a page. Something is dreadfully wrong when Pat Cox's views on corruption get aired but the whistleblowers aren't even named.

I suspect that the final section is weakest because it has been lifted from the web sites of the European institutions. The impartiality of earlier chapters (while not perfect) is lost.

The footnotes, meanwhile, are quite adequate (and demonstrate all too worryingly what EU funds for academic work is being spent on).

This book does serve a useful purpose in taking the reader through the long and complex development of the European project. The author achieves this in a manner that is understandable, and – even more creditably given the subject – occasionally even interesting. Unfortunately, the author loses his credibility sometime between Maastricht and Amsterdam. Since most *Journal* readers will be most familiar with this period anyway, this doesn't disqualify *Europe Recast* from your bookshelves.

Dr Lee Rotherham is a consultant on EU affairs.

... news in brief

Germany might allow referendums

The red-green governing coalition in Germany is to present a bill which would allow referendums. They have not been part of the German political process since the end of the war. A bill is to be presented to Parliament this autumn which would allow the people to vote on simple laws as well as on amendments to the constitution and international treaties. Referendums on individual laws would depend on public petitions which collect at least 400,000 signatures in favour of a bill on which the Parliament would then vote. This is the effectively the system in Austria. The system for constitutional amendments and international

treaties would be different: both would require a majority which comprised at least 25% of the total number of registered voters. Treaties would be subject to referendum only if the Parliament decides by a two-thirds majority that they should be. This bill itself requires a two-thirds majority because it represents a constitutional change, and therefore the governing parties will have to appeal to deputies from the opposition Christian Democrats and Liberals. Support might be obtained from these parties if the quorums are raised slightly: they have traditionally been opposed to referendums on principle. It is possible, therefore, that the European Constitution might be subject to a referendum in Germany. [Peter Dausend, *Die Welt*, 19th October 2004]

Off Whitehall

By **Derek Scott**, IB Tauris, 288 pp, 2004, ISBN 1-85043-677-0, £18.95

Reviewed by Dirk van Heck

In the main, the media have treated this book like a TV magazine: worth reading, because it delves more deeply into the plot of a soap-opera than anything you'll see on television. This is a pity, because it is in fact a book the political importance of which goes well beyond the turf war between Number 10 and Number 11 and the personal animosities that drive it.

Derek Scott was an adviser to Denis Healy before he became Economic Adviser to Tony Blair, and spent the intervening period working in the City. His authorial voice exudes intellectual honesty; indeed he recalls being dressed down (in the discilinary sense) for the politically unhelpful (i.e. objective) economic advice he gave to the Prime Minister in front of other Labour politicos. He is, fundamentally, a Labour man with a socialistic political philosophy; a loyal leftist taking his counsel outside the New Labour politburo in frustration.

Scott makes it clear that whilst he is an admirer of Tony Blair, he considers him a bit of a lightweight when it comes to economics. (One story involves a mandarin sheepishly suggesting to the Prime Minister that he might like to take some economics textbooks on holiday with him - the suggestion was not taken up.) Yet Blair comes across as being somewhat insubstantial on the politics as well: Scott tells us that the PM had an oft-repeated mantra that, "the political case for joining the euro is overwhelming," but that he never actually bolstered the assertion by articulating that case. Scott believes that Blair has been less candid about the politics of EMU than other leading European figures, which he backs up by quoting Wim Duisenberg, who was at the time president of the European Central Bank, "EMU is and was always meant to be a stepping stone on the way to a united Europe."

Scott seems to find New Labour's dissembling on Europe quite offensive: "One of the arguments often introduced into discussions on Europe was the charge that those with doubts about EMU or the proposed Constitution, wanted to 'disengage' from Europe... [but] the issue is how best to cooperate in partnership with other countries within the EU and what is the most appropriate political and economic framework for that to take place." And he is

contemptuous of the Government's 'in or out' line on the European Constitution: "... it served the Prime Minister's purpose to suggest that those who opposed the Constitution were really setting out to secede from the Union. Some may have been, but it does not have to be the case and to suggest otherwise is simply disingenuous."

The economics of the Europe issue are, Scott believes, important in their own right, and that, whatever the (elusive) political case, they are fundamentally wrong. Scott worries about the political consequences of high unemployment and 'asymetric shock' in the eurozone. He also frets that Gordon Brown is not ideologically opposed to the euro, but that his euroscepticism has been merely an incubus for 'the TB-GBs'. The 'five tests' for euro entry "only addressed second-order questions," although Scott insists that they were drafted by mandarins and not concocted in the back of a black cab by the Chancellor and his apprentice, the goblin of the Treasury, Ed Balls.

In the course of the book, which is more a work of political economy than a high political expose, Scott dutifully treads over the essential narrative ground (the development of the European project, the collapse of Bretton Woods and the 'snake') and makes all the proper arguments to support his case (the continuing tensions between French and German thinking, the symbiotic relationship between economic and political union, the vitality of exchange rate flexibility, the outdated, bureaucratic, undemocratic nature of the whole EU enterprise). With the Government claiming, as a crucial plank of its re-election campaign, that Bank of England independence is the macroeconomic foundation of a newfound stability in Britain, how will even such an accomplished magician of logic as Tony Blair be able to claim, in the same breath, that it is our "patriotic duty" now to cede its function to a political European Central Bank?

Scott's final chapter is a eurosceptic tour de force. It argues that the UK must remain outside the euro to achieve its full potential influence; that the economics of the euro are "fundamentally flawed"; that the euro threatens the new EU Member States with a future of boom and bust; that, ultimately, it is a threat to political stability in Europe.

The EU's big bang expansion has been a missed opportunity, mistakenly culminating in the backward-looking Constitution for Europe. Competence over areas of tax and social legislation should be returned to the Member States in order for competitive markets to function efficiently. All these arguments will be familiar to readers of *The European Journal*, but Scott's analysis has the distinction of being written from a Labour point of view and is exceptionally well organised: he gets his ducks in a row, then shoots down the canards, one-by-one.

Having put forward some alternative models for the new Europe, Scott moves towards his conclusion: "In the end, Tony Blair was forced to agree to a referendum on the Constitution as a matter of political expediency...

"If a referendum were to take place, some politicians may believe that the British people would be frightened into submission over the EU Constitution if they thought the alternative was to leave the EU. In the same vein, they might even eventually be bullied into accepting the single currency, and the implications of the Constitution would make resistance more difficult. However, such tactics could backfire and in any case is [sic] an unnecessary choice to present to the British people so long as our political leaders stand ready to use the veto to protect Britain's interests in any political settlement proposed for the EU.

"Of course, if politicians are not ready to do that, then that is another matter, but such politicians would have declared themselves unready and unworthy to defend British interests, in or out of the single currency." This parting shot could easily be interpreted as a call for Tony Blair's resignation.

This is an excellent book. It is frank, informative, intelligent and spiced with anecdotes and wit, for example in the chapter headings, which I particularly enjoyed. Don't expect it to reward you in the same way as TV magazine, though; it requires rather more work than that.

Dirk van Heck is Head of Research at the European Foundation.

VALLETTA CITY GUIDE

by Sean Shortell

Transitionally enjoying a strategic location in the Mediterranean, Malta has proud history of defence as it has guarded the trade routes of many of Europe's greatest empires. As devoutly Catholic nation with a long and celebrated history dating back to the Copper Age, Malta's historic past is it's biggest selling point. 7000 years of history await visitors upon arrival, as well a several world heritage sights.

Originally settled and colonized by the Phoenicians around 800 B.C., the islands of Malta later came under Roman control at about 200 B.C.. The Romans introduced Christianity to the islands, which was to play a significant role in Malta's future. During this time, Malta was first mentioned in written history and prospered from the wealth of Roman trade. The famous Roman senator, Cicero, commented on the importance of the islands and their temples. During the Roman era,

Malta also achieved its Biblical significance as the location of St Paul's shipwreck.

Arabs also settled in Malta from the 9th to 11th century and while there is little physical evidence of their stay, their mark on the culture was significant. Their influence on the language is seen in the names of the towns such as Marsa, Mdina and Rabat. Arabic inhabitants did however leave behind one significant physical marker in Malta – a distinct terraced landscape, which resulted from new agricultural techniques introduced to the islands during this period.

In 1090, the Normans wrestled the islands from the Arabs and subsequently inhabited the region. During Norman control, the islands were cast off and forgotten as a mere outpost. Much of the population plunged into poverty or slavery. For nearly 500 years, Malta was passed around the royal families of Europe until 1530, when the island was granted to Knights of St John. Maltese tradition began to flourish and Valletta was established as the Knights' capital city. The Knights contributed immensely to the baroque atmosphere of Valletta and fortified the harbour with extensive defences built upon the Mount Sceberras Peninsula.

In 1565, the Ottoman Turks, sworn enemies of the Knights of St. John, launched a massive siege upon the islands. 40,000 Turks attacked Malta, which was defended by a mere 700 Knights and 8000 Maltese citizens. At Valletta, the Turks lay siege to St Elmo for some 36 days until they finally overran it at a cost of 8000 men. The Ottomans later moved on to attack St Angelo, the last fortified position in Valletta. Still thoroughly outnumbered, the Knights turned back each of the Ottoman's advances in a stalemate that lasted the entire summer of 1565. The siege finally ended on 8 September of that year, following the arrival of reinforcements for the Knights. This day is still a celebrated public holiday.

Following the siege, the Knights continued to develop Valletta's innovative layout of grid streets, which was a new concept in the $16^{\rm th}$ century. The grid layout allowed for fresh air from the harbours to circulate throughout the city. The city was also among the first in the world to have fresh water piped in, as well as sanitation. Upon its



initial completion in 1571, Valletta was a sizeable and prosperous fortress city set amidst one of Europe's most coveted and important harbours. The most impressive architectural remnant of this era is certainly St John's Cathedral, credited as the first complete example of high baroque architecture.

The Knights controlled Malta with relative effectiveness and stability for another 250 years. However, in 1798 Napoleon seized Malta for his empire, but was unable to effectively rule the entire area. Napoleon's troops remained isolated and without authority behind the walls of Valletta's great fort. Britain sailed into the harbour in 1800, removing the French and taking Malta under British control. As part of Britain's sprawling empire, the harbour and fortifications of Valletta were utilized to protect imperial interests.

Under British rule, the Maltese people were linked to the fate of Britain. During both World Wars, Malta served as a crucial supply and recovery base for troops. It was during World War II that the islands gained their fame for enduring a siege and bombardment lasting 154 days. Pushed to the brink of starvation and capitulation, the Maltese people persevered and King George V awarded the George Cross to the entire population. Devastated by war, the islands were granted some £30 million by the British government to rebuild.

Finally, on 21 September 1964 the Maltese people were given independence from Britain. Malta is still a member of the Commonwealth and in 1974 Malta became a republic within the Commonwealth. Shortly thereafter the last of the British military left. Malta still has a proud British tradition ingrained in its society; along with Maltese, English is an official language.

In 1990, Malta applied for membership to the EU and was granted full membership in 2004. Malta has a thriving tourist industry and has developed and diversified its traditional industries in recent decades. Today Valletta is a thoroughly modern city, acting as the nation's government and business centre as well as main its main point of entry, while maintaining its classic architecture and style.

GETTING THERE

British Airways: www.ba.com or 0870 850 9850

Flights from Gatwick from £94 Air Malta: www.airmalta.com or +356 2169 0890

Flights from Heathrow from £196

ACCOMMODATION

Le Meridien Phoenicia****

The Mall, tel. 08000 282840 www.lemeridienphonecia.com

Built in the 1940's but thoroughly modern in its services, the Phoenicia is easily the finest hotel in Valletta. Some rooms have balconies overlooking the harbour or gardens. The hotel is within short walking distance of the Grand Harbour, Mediterranean Congress Centre and the city's business and diplomatic core.

Rooms from £51 to £136 per night.

British Hotel***

40 Battery Street, tel. +356 2122 4730 www.britishhotel.com

This affordable, family-owned hotel overlooks the Grand Harbour and features a comfortable sun deck with bar and lounge. It is set just outside the city, but is still only a short walk from the main attractions. The quaint atmosphere makes this an ideal choice for business and leisure travellers alike. Rooms from £80 to £130 per night.

Osborne Hotel***

50 South Street, tel. +356 2124 3656 www.osbornehotel.com

Situated in a renovated 16th century building originally used as a hostel for the Knights of St John, this hotel is full of character and history. It is nestled on a quiet side street, but only minutes from the centre of Valletta. Each room features modern amenities and many offer stunning views of the old city and it's harbour. The hotel includes a pool, spa, bar and lounge as well as conference facilities. Rooms from £80 per night.

SIGHTS

Upper Barrakka Gardens

tel. +356 2123 4141

Originally private, the gardens opened to the public in 1924. From the terrace, one can overlook the harbour and take in views of the three cities built by the Knights. Among pistachio trees, statues

of famous contributors to Maltese society and culture line the walkways.

National Museum of Fine Arts

South Street, tel. +356 2122 5769 / 2123 3034

This restored 16th century palace has served as the residence of British Naval Commanders, but now the space hosts the works of several Italian masters and includes priceless landscapes of the Maltese countryside and ancient coins and metals of the Knights of St John.

Fort St Elmo

St Elmo Street, tel. +356 2122 2430 Situated at the tip of the city, the old garrison is still a working fort. It is home of the Maltese Police Academy and the War Museum, which documents the fort's historic past and use through five centuries and nearly every major European war. Guards in full 16th century costume parade the grounds and perform re-enactments of the Siege

St John's Cathedral

St John Street, tel. +356 2122 5639

While at its most festive and vibrant during the summer and Christmas holiday, St John's Cathedral is not be missed. Described by Sir Walter Scott as "the most magnificent place he'd ever seen," the Cathedral is sure not to disappoint. Its architecture pays tribute to the Knight's military heritage and is hailed by many as a revolutionary landmark that helped launch the Baroque movement of the 17th century. The Cathedral is also the burial place of the sons of many of Europe's royal families.

EATING

The Carriage

22/5 Valletta Buildings, South St, tel. +356 2124 7828

The stylish Carriage includes an ambitious menu and meals are served with flare. The atmosphere is that of a private club and the view of the harbour is an added bonus for those with window seating. Jacket and tie required.

23 Windmill St, tel. +356 2123 7121 Valletta's top venue for the entertaining set. Rub elbows with politicians, diplomats, international business moguls and Malta's own fashionable set. Enjoy top Maltese-Italian cuisine and service as you gaze out over the harbour.

Lantern

20 Sappers St, tel. +356 2123 7521 Family owned and operated, this restaurant is less flashy than other selections, giving it a friendly, comfortable atmosphere. Standard Maltese cuisine does not disappoint. Call ahead, opening times vary.

SHOPPING

Silema and St Julian's are two towns set just across the harbour from the city centre. Here, you'll be able to find Italian, British and other continental fashions as well as a plethora of music, book and specialty stores. In Silema, head for Bisazza Street and Tower Road for leading chains, but be sure not to neglect the interesting options offered along the side streets.

In Valletta, there are several options as shopping arcades are dispersed throughout the ancient city. Republic and Merchant Streets offer small craft and bookshops, as well as perfume, cosmetics and jewellery. Be sure not to miss the local markets either.

GOING OUT

Manoel Theatre

115 Old Theatre Street, tel. +356 2124 6389 / 2122 2618

www.teatrumanoel.com.mt

At 275 years old, few halls in Europe can match the historic aura of the Manoel. The theatre hosts live acts throughout the year in genres spanning from opera, comedy and drama to classical and other special events.

If you're looking for serious clubs and discos, head up the coast to Paceville and St Julian's. There are several options, as a number of high-end clubs and discos dot the coastline. Most have a decidedly continental feel.

Paceville and St Julian's also offer world class gambling at seaside casinos. The Oracle and Dragonara are by far the most popular. Oracle: +356 2157 0057 www.oraclecasino.com / Dragonara: +356 2138 2362 www.dragonara.com.

Sean Shortell is currently studying Political Science at Marist University in New York state and is a research assistant at the European Foundation.



Target Acquisition

by Dr Lee Rotherham

URTHER TO OUR RECENT PONDERINGS, it seems that preparations for the Hunting Season on MPs are truly underway. Officially, Spring '05 will see the blunderbusses, wheel-locks and assorted powder musketry unleashed in the general direction of that Commons fowl, the Lesser-Anticipated Sceptic Duck. Technically, the creature is an endangered species and there is some debate on the preservation of their habitat. Part of the problem is the close proximity of their cousin, the Hugely-Overrated Fake Blah Blah Bird, which has been known to change its plumage every four or five years or so in order to blend in with its associates.

As part of our public service commitment, there follows a point card in order to facilitate distinction between the two species.

Dr Lee Rotherham is a consultant on EU affairs.

- Once made a speech involving reference to the following: Panzers; Up Yours Delors; Napoleon; Julius Caesar; Matthew 22 verse 21; handbags; The French (with a capital T); Volvos. One point per item.
- Displays Raj Tendencies. **Five points**.
- Drinks English Sparkling wine when no TV cameras are present. **Two points**.
- Member of Campaign for an Independent Britain (CIB). Fifty points. Bit of a
 giveaway, this one. If you are uncertain of your candidate's loyalties, why not
 invite them to join this cross-party group? It beats throwing him into a pond
 and seeing if he floats.
- Confuses pro-Europeans by (a) having married a continental (b) speaking a
 foreign language as good as a local taxi cab driver (c) having run some small
 country's entire business sector for them. Four points each.
- Mobile phone ringtone is the Dambusters theme. **One point**.
- Known on circuit. One point for each time has been in the same room as Idris Francis.
- Survived attempt by Party Whips to fix his brakes. Twenty points.
- Has been to Brussels. Came back even more outspoken despite attempts at bribery with the prospect of barrels of silver, tuns of Brabant beer, and the offer of the Order of the Golden Croissant. One point.
- Unpopular with the Commission. Two points per lunatic Directive brought to public attention.
- Calls for a Commission on Costs-Benefits on Membership. Five points. Actually, this is quite a serious one. There have been attempts in the Commons and Lords by backbenchers to do precisely what 'middle ranking' Treasury officials started doing in 1998 before Gordon Brown pulled the plug, i.e. run an actual study of what the EU actually costs the UK. There have been several academic costings over the years (Professor Minford's in '96, for instance), but one authorised from Government, and conducted fairly and transparently, would carry great weight in any debate on the country's future. It could have a dual mandate of the economic and the democratic aspects, and be authorised to conclude with a cost/benefit of non-membership. Every sceptic and every federalist in his heart knows that whatever the debatable advantages of continued membership, there are clear massive financial, constitutional and libertarian costs. Denis Macshane wants openness in the debate: let's have it!
 Twenty points if the candidate accepts withdrawal is an option.
- Member of the Advisory Board of a leading Eurosceptic European journal in a tawny yellowy cover. Eight and a half points.
- Shifted the debate. Five points per call for repatriation per competence per year ahead of the official party line.
- Annoy people constantly by correcting you every other sentence when you say Eurosceptic rather than Eurorealist. **Three points**.
- Owns European pet (Dachsund, Alsatian, rabid rodent). One point. Pit Bull
 named George or such like. Two points. Bulldog, ideally trained (by Beagles)
 to smoke Havana cigars. Four points.
- Favourite Chrimbo film is the Great Escape. **One point**.
- Wears sickly lemon rosette. Minus eight hundred points.
- Reading this. Zero points. Go and make yourself a cuppa then put your coat on – you should be out leafleting!

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 likeminded institutes across Europe.

Objectives

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

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

Activities

The Foundation pursues its objectives by:

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

The Foundation

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

It concerns itself with the following main topics:

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

Subscription Rates & Donations

UK: Minimum £30; UK Senior Citizens & Students: £20.00; Europe excl. UK: £34; Rest of World: £38 Rates show will be correct at least until Summer 2001. After this date please check by 'phone/fax/e-mail before subscribing.

Donations should be made payable to "The European Foundation"; subscriptions to "The European Journal".

I enclose my annual subscription of £ ______ (minimum £30, Senior Citizens & Students £20.00)

plus postage: UK nil, Europe £4, Outside Europe £8 made payable to The European Journal.

Name (in capitals): ______ Title: _____

Address (in capitals): _____ Postcode: ______

Tel: _____ Fax: _____ e-mail: ______

Please enclose your cheque made out to "The European Journal" and return this form to: Subscriptions, The European Foundation, 7 Southwick Mews, London W2 1JG Telephone: +44 (0) 20 7706 7240 E-mail: euro.foundation@e-f.org.uk