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THE EUROPEAN JOURNAL

The Journal of the European Foundation



Hamlet Without The Prince
Christopher Booker

&

Sara Rainwater • David Heathcoat-Amory, mp
Syed Kamall, mep • Geoffrey Van Orden, mep
Vivian Linacre • Dan Lewis
Michael Ancram, mp & Bill Cash, mp
Dirk van Heck • John Laughland • Alistair Tebbit
James Falkenbury • Dr Lee Rotherham

The European Foundation
www.europeanfoundation.org
7 Southwick Mews, London W2 1JG
Chairman: William Cash, MP

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Editor: Sara Rainwater

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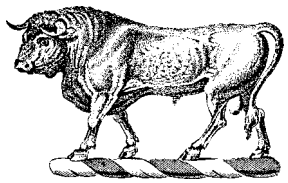
7 Southwick Mews, London W2 1JG
Tel: +44 (0) 20 7706 7240 Fax: 020 7168 8655
E-mail: euro.foundation@e-f.org.uk

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SOLON

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



The Big Euro-Deflection

It takes some nerve. Just think for a moment about the stream of propaganda which flowed from 10 Downing Street and the Foreign Office about the European Constitution in the run up to the French and Dutch referendums. Then crash. The Euro-establishment couldn't believe that, as ever, the Eurorealists had got it right.

And so we had a spate of self-convincing bravado from the usual quarters that nothing would halt the ultimate goal and that, as with the Irish and Danish referendum votes before, we could expect a re-run. But then the penny began to drop and even Tony Blair, who after all held the presidency, knew the game was up and that they would never get this Constitution through the British electorate. So despite the exaltations and false promises, and as the realism kicked in, the Prime Minister went to the European Parliament and told them that leadership required reform. Applause. Then silence. No one believed it. The low growth and high unemployment continued and France went on an orgy of riots from one end of the country to the other and the European Union faced the prospect of an ever-deepening crisis. Angela Merkel, with her fragile and impotent coalition, played around with the idea of reform, but gave up. The Lisbon Agenda was a continuing failure and French protectionism became the cardinal policy from Villepin and Chirac. Another dead end.

There was nothing for it but to call a halt to the whole process of integration and the Constitution, at any rate on the surface, but they never gave up. Despite the failure of the existing Treaties – the real cause of the European problem – the Euro-elite reached for their tattered papers and, pushing the legal limits beyond breaking point as with the European Defence Agency, they claimed that what some parts of the Constitution had previously required was now within the competence of the existing Treaties after all. The same applied to foreign policy and a host of other objectives.

To ease the passage of this deceit, they called it a 'period of reflection'. It was nothing of the kind. Rather, it was a massive deflection in the hope that nobody would notice what was going on under the surface. The Austrians collaborated in the process and Angela Merkel, on 17 November last year, announced that Germany would reintroduce the Constitution as a priority when taking over the presidency on 1 January 2007. But the rot had already set in and there was no sign, after extensive canvassing, that the people of Europe would wear it. Indeed, Austria turned out to be even more Eurosceptic than Britain and so the plans began to crumble and a new deceit had to be forged. Indeed, on 5 May this year, in a Eurobarometer poll only 17 per cent in the UK thought a European Constitution would be helpful to the future of Europe. In Poland, a mere 15 per cent and the ten new states averaged a mere 16 per cent. An association of nation states is distinctly on the cards. France and the Netherlands rated only 29 per cent and 32 per cent respectively in favour of a European Constitution, which is even worse than in the referendums last year.

Sure enough, it turned into the summit on 15 June, which announced yet another period of reflection/deflection. This time for another year. But what of Angela Merkel's commitment to the European Constitution under the German presidency? This was shelved, so we understand, for a report following further so-called dialogue and debate. Yes, believe it or not, this is called 'Plan D' – D for deflection. It so happened that the hapless Geoff Hoon, the unrequited Cabinet Minister-to-be for European Affairs demoted from as Leader of the House to a mere bag-carrying job for the uninspiring Margaret Beckett at the Foreign Office, had his first outing in a committee to debate this improbable Plan D. So-called dialogue, debate, democracy, and deflection, in that order. Debate and dialogue under this deceitful plan is to be financed by a Commission allocation of funds to the tune of €16 million, but the proof of the pudding will be if any of this money will get within a thousand miles of Eurorealist think tanks or organisations.

So Tony Blair came to the dispatch box on 19 June against this unpromising background and made the shortest statement following a European summit on record. He faced a barrage of ridicule and the inevitable accusation that the European Constitution resembled no more than a dead parrot. He struggled on in vain but could not explain why the orders of the day, everyday for the past six months, pretended there would be a Second Reading (for the second time) of the Bill to implement this benighted and rejected Treaty. The House of Commons is now truly becoming the Euro-theatre of the absurd.

In the meantime, the silence on Europe for which Michael Ancram rightly criticised the media began to break within the Conservative Party by the sheer pressure and significance of what is at stake for Europe, the global economy and indeed Britain and its own self-government. The cynicism with which this whole miserable saga has been punctuated is surely one of the reasons why the electorate is so turned off from the political process.

This makes it all the more important that David Cameron reaffirms rapidly his commitment to withdraw the Conservative Party from the EPP, a group whose mainspring and 'basic policies' are a federal Europe within the European Constitution. The commitment is clear and the necessity is present. Even if suitable allies cannot be found, the Conservative Party, on the firm advice of constitutional experts, cannot consistently with its own principles continue to consort with the EPP. It is not merely a matter of the European Constitution itself, but a whole host of basic policies to which the EPP is shackled. And, in any case, as Chancellor of Germany and leader of the CDU by virtue of her coalition, Angela Merkel cannot deliver the reforms for economic competitiveness to which the Conservative Party is committed. Hence therefore the practical significance of the whipped vote on Bill Cash's Amendment, new Clause 17, to the Legislative and Regulatory Reform Bill by the Conservative Party, which would override ECA 1972 to relieve the British electorate and businesses of European legislative burdens, which the British Chambers of Commerce and others have shown is costing billions of pounds every year.

This is a matter of integrity and practical necessity, a combination which cannot be forsworn. The EPP issue is politically significant in its own right, but it is also a subtext of the issue as to who governs Britain. It is ultimately an issue about the supremacy of the Westminster Parliament and therefore about the future of the Conservative Party itself. We can be certain Edmund Burke, William Pitt, Disraeli and Churchill would have fully understood; and, despite the rumours, David Cameron has reaffirmed his commitment. We shall see.

from the editor

Dear reader,

And so enter the period of deflection, as our chairman Bill Cash is now aptly calling it. One more year to sit around the Brussels campfire and mull things over. Call me stupid, but I honestly cannot figure out whether the EU Constitution is really dead. Politicians and commentators have been back and forth on the issue since the referendums last year and still no one seems to be in agreement.

Personally, I would like to stab the Constitution through the heart with a wooden stick and shoot it with a silver bullet to make sure it finally stops twitching. But I have a feeling it would (in some way, shape or form and maybe no longer called a 'Constitution') simply rise from the dead like a zombie out of Michael Jackson's *Thriller* video. At least that is what the integrationists are hoping and praying for at this very moment. They are a relentless lot who refuse to accept the fact that the time of a 'Constitution for Europe' is over.

The phrase 'period of deflection' also lends itself well to the ongoing saga over Conservative withdrawal from the EPP. We have been told that a decision will be announced by the end of this month. We all wait with baited breath. I can only hope no one is waiting around *holding* their breath. Geoffrey Van Orden, MEP, discusses the complexities of this issue on page 10.

Further contributions in this issue from David Heathcoat-Amory, MP, (on trade, page 4), Syed Kamall, MEP, (on the People *v.* the Organised Minority, page 8), Vivian Linacre (on forced metrication, page 12) and Dan Lewis (on energy, page 15) remind us that there are still other areas of concern we must not forget about during this period of deflection.

So enough with the reflecting/deflecting, Brussels. The peoples of Europe deserve action, not contemplation. The Conservative Party must use this period wisely by organising a grouping in the European Parliament that represents and reflects the growing Euroscepticism of the electorate. We must not waste this precious opportunity by allowing the Europhiles more 'reflection time'. They will only figure out more ways to take us further down the route of deeper political integration. And that thought scares me more than the *Thriller* video did when I was five.



Empty Promises on Trade

by David Heathcoat-Amory, MP

Question: How many of the six ministers in the Department of Trade and Industry deal with trade? Answer: one, and he is shared with the Foreign Office.

So half a minister now handles a job which used to merit a whole department (remember the Board of Trade?). The vast expansion in the size and scope of modern government has this one exception, trade policy, which has all but vanished. The fourth biggest economy in the world does not have a trade policy.

Trade is part of foreign policy. It determines who we sell to and buy from, and on what terms and whether such transactions are subsidised or taxed. This policy making has been exported to the EU. These decisions are not made by elected people accountable to Parliament, but by Trade Commissioner Peter Mandelson, unelected and twice fired from the Cabinet. Member States are represented by officials on a series of EU committees where decisions are taken by majority voting. They meet in private and no minutes are published.

Trade is the sharpest weapon in the fight against global poverty, but we have no policy we can call our own

Yes these decisions affect the wealth or poverty of millions of people, not just in the EU but all over the developing world. Trade is the sharpest weapon in the fight against global poverty, but we have no policy we can call our own.

EU decisions are now seriously damaging to our interests and those with whom we trade. Take the so-called 'bra wars' which broke out last year over textile imports from China. Southern EU states objected to the end of quotas, which had restricted these imports. Peter Mandelson duly reimposed them despite opposition from northern EU states.

This is part of an EU policy on textiles and clothing which costs British consumers over half a billion euros a year. Nor does the British government get the tariff money collected on these imports. That goes into the black hole of the EU budget where even the auditors can't find it.

Now it is the turn of shoes. In April of this year, punitive tariffs were imposed on imports of cheap shoes from China and Vietnam. Nine EU countries objected, including Ireland and all of Scandinavia, but were outvoted. Clarks Ltd., Britain's largest shoe company, also campaigned against the curbs and showed they would lead to higher domestic prices. The British government feebly abstained. So we not only have no power but no policy either.

The damage goes much wider. The EU has become a poverty machine: old-fashioned, inflexible and inefficient; a beached whale in a sea of global competition. The internal market, which was supposed to be about breaking down barriers to trade, has instead become an excuse for more regulation. Now the EU's external trade policy is doing the same damage to the developing world.

The Common Agricultural Policy exists to raise food prices at home and keep out imports. It has an enormous effect on this country as shown by the fact that the UK pays 43 per cent of all the EU tariffs levied on imported agricultural products – as much as France, Germany and Belgium combined.

But in many cases this does nothing to protect British farmers since we do not grow things like olives, bananas, citrus fruit, cocoa or rice. The EU tariffs keep up the prices paid by consumers, and, since low income groups spend a higher proportion of their money on food, this is a tax on the poor. It also keeps incomes down in the developing world, destroying the chance to Make Poverty History.

The British government knows this. Its 2004 White Paper on trade states, "*The CAP – which does serious damage to farmers in the poorest countries of the world – costs the EU's own taxpayers some €50 billion a year, plus another €50 billion in higher food prices.*" On aid it observes, "*In agriculture alone, our barriers prevent developing countries from earning up to $75 billion a year – significantly more than current aid flows.*"

The solution to this? The White Paper meekly suggests that we should, "*encourage the EU to take a leadership role in multilateral negotiations.*" No chance. The French have blocked CAP reform until 2013. World trade negotiations are stalled largely as a result of EU intransigence. The 'influence' we are supposed to have through the EU amounts to watching Peter Mandelson trying to stay on the tightrope.

This has implications for the Conservative Party, too. One of the new study groups set up by David Cameron is examining 'Globalisation and Global Poverty'. It is important that any policy recommendations are realistic and that an incoming Conservative government can actually implement them. The electorate are suspicious of politicians making promises they can't keep. Policies to use trade as a weapon against world poverty are pointless unless we have the means to act.

Imagine a different EU, one in which the present customs union was replaced by a Free Trade Area. These exist in many parts of the world, including Asia and North and South America. Free Trade Areas bring the benefit of free trade whilst allowing the participating countries to negotiate additional agreements with outside countries. Mexico, for example, is a member of NAFTA, and therefore bound in with the USA, Canada and Chile, but also has a free trade agreement with the EU. The UK, by contrast, is forbidden to have any such agreement with another country.

Transformed in this way, Europe would become a force for good in world trade. France would become an isolated defender of protectionism. Free traders such as Britain would be able to offer better access for goods and produce from the developing world in return for better access for our exports. Our pious concern for poor countries would change from empty words into real deeds. British farmers have nothing to fear and could actually be better off under a system which could support them directly instead of via the fantastically wasteful EU budget.

The EU is supposed to be in a reforming mode. The rigid and centralised pattern of the past has failed. The European Constitution is dead. It is time to open the shutters and let in some new ideas. Trade is a good place to start. And it will give our lone Trade Minister something to do.

David Heathcoat-Amory is the Conservative Member of Parliament for Wells and a member of the European Foundation's UK Advisory Board.

Hamlet Without The Prince:
The Anglosphere Minus One

by Christopher Booker



Our public debate over Britain's involvement in 'Europe' is usually so narrowly focussed, running on such familiar tramlines, that it becomes claustrophobic. The purpose of this article is to widen our perspective by viewing that story from an unfamiliar angle, through a sequence of historical snapshots.

For a first snapshot we may go way back into the past, to the days just after the Second World War when Winston Churchill made his famous series of speeches calling for the setting up of a 'United States of Europe'. Churchill's central proposal was that Europe should be politically united, as one of the four pillars of what he called 'the Temple of World Peace'. One was the United States of America, a second the Soviet Union, a third his 'United States of Europe' – and the fourth, quite separate, was 'the British Empire and Commonwealth'. Britain was then still a world power, with the world's second largest economy. Churchill's 'Empire and Commonwealth' included a quarter of the human race.

For the next snapshot we fast-forward just over a decade to the early 1960s. Britain had been through the shock of the Suez fiasco, which brought home just how far she had now sunk from being a world power. Her empire had become an embarrassment, the legacy of a historical past she could no longer afford. Economically, likewise, we were fast slipping down the international league table.

Meanwhile, across the Channel, we saw our increasingly faltering industries being outpaced by the dynamic economies of Germany, France, Italy and the countries which had just joined together in the Common Market. Britain, in those cruelly accurate words of Dean Acheson, had *"lost an empire and not yet found a role"*. It was this loss of self-confidence, which in 1960 and 1961 led us into the most dramatic political U-turn of the post-war era

When Harold Macmillan first thought the unthinkable by contemplating his decision to throw in our destiny with our newly prosperous and self-confident European neighbours, his hope was that this would somehow enable Britain to share in their economic success. But he had two chief fears. One was that this might endanger that 'special relationship' with our closest ally, America. And on this, the new young US President Kennedy reassured him that joining 'Europe' would cement the 'special relationship' rather than undermine it.

The other concern Macmillan did his best to keep out of view. This was that joining the Common Market must fundamentally change Britain's relationship with the Commonwealth, who were by far our biggest trading partners. No less than 43 per cent of all our exports at that time were still going to the Commonwealth, followed by those to America, as compared with only 16.7 per cent going to the six countries of the Common Market. For our Commonwealth partners, their trade with Britain was even more important. For many, such as New Zealand, Britain accounted for more than half their exports. Yet, if we were to join the protectionist customs union of the Common Market, an inevitable part of the deal was that we would have to shut out much of that trade by accepting its high tariff barriers. We would have to turn our back on countries with which we shared a

common language, common historical traditions, common legal systems, and common democratic values; nations which, only 20 years earlier, had sent more than 4 million men to fight alongside us for those values in World War II.

When Edward Heath went off to Brussels to begin the negotiations, this was the central point at issue: his attempt to negotiate some kind of a deal which would allow us to continue importing enough goods from our Commonwealth partners for them not to face economic disaster. But to the Six, of course, the fate of the Commonwealth was not of the slightest concern. Indeed, our readiness to turn our backs on the English-speaking world was the real test of whether we truly wanted to be 'Europeans'.

When President de Gaulle twice vetoed those first British attempts to get into the Common Market in the 1960s, part of the reason was that he thought we were still too preoccupied with the outside world and with our special relationship with America. You remember that famous passage in his first veto speech: *"England is insular. She is maritime. She is linked through her trade, her markets, her supply lines to the most distant countries … in short, England's nature, England's structure, England's very situation differs profoundly from those of the Continentals."*

But lurking behind this, as Richard North and I were able to explain in our recent book, *The Great Deception*, there was a deeper reason for de Gaulle's reluctance to allow us in. De Gaulle knew that France faced a massive problem. She was pouring ever more subsidies into her huge farming sector, which still employed a quarter of her entire population. Unless some solution was found to this mess, the French state would soon be bankrupt. The system would collapse. Millions of French peasants would be driven off the land and into the cities, as potential recruits for communism. De Gaulle's answer to this was that the Common Market must have a Common Agricultural Policy: one carefully designed to get someone else to foot much of the subsidy bill for French farmers and at the same time to buy all that surplus food his farmers were producing.

Britain fitted the bill perfectly. Because de Gaulle's CAP would be financed from tariffs on goods imported from the outside world, and because Britain imported much more than the rest of the Six, she would soon become the biggest contributor to the Common Market budget. Because her farming sector, although the most efficient in Europe, was also relatively small, she would also receive less than other countries in farm subsidies. And because she therefore needed to import more of her food than other countries, once much of those Commonwealth food imports were shut out by tariffs this would leave a huge hole – to be filled by those French farmers. From a French point of view, it was a brilliantly clever plan. But until de Gaulle could get the rest of the Six to accept his CAP, he could not possibly allow Britain to join, for fear that she would sabotage a policy that would be so peculiarly damaging to her. Hence his two vetoes. But hence also France's need, as soon as the financial arrangements for the CAP were agreed in 1969, to get Britain in.

He was lured into accepting a deal so one-sided that, within a dozen years, Britain faced the prospect of becoming the largest single contributor to the Common Market budget, 90 per cent of which in those days was accounted for by the CAP

This was why in 1970, when Mr Heath again applied for entry, he was knocking at an open door. So desperate was he to be allowed in that he was ready to do so on virtually any terms. In the immortal words of his chief negotiator, Con O'Neill, Heath's policy was to *"swallow the lot and swallow it now"*. That was how he was lured into accepting a deal so one-sided that, within a dozen years, Britain faced the prospect of becoming the largest single contributor to the Common Market budget, 90 per cent of which in those days was accounted for by the CAP.

By the late 1970s, when thanks to Britain's continued economic decline she was virtually the poorest country per capita in the EEC, this had become so transparently absurd that even the Labour government was complaining. But it then took five years of handbag waving and quiet insistence from Mrs Thatcher to secure that controversial 'budget rebate', without which Britain would by 1985 have become the largest contributor, and which was only made necessary by the fact that we had turned our back on the Commonwealth and accepted instead a stitched-up deal which was ultimately designed to serve the interests of France.

Then came the next dramatic twist in the story when the British economy went through that radical restructuring which, in 10 years, lifted her from the bottom of Europe's economic league to near the top. All that transformation of the 1980s, from the selling off of overmanned and oversubsidised state industries and the reform of our labour laws to the City's Big Bang, enabled us to rediscover our old role as a global trading power. And this had nothing whatsoever to do with our membership of what was by then the European Community. Indeed it was at this very time, while Britain's economy was bounding ahead, that the first signs were appearing on the continent that the economies of our European partners, increasingly stifled by the taxes and regulatory demands of the 'social model', were losing their dynamism and beginning to slow down.

Fast-forward again to the mid-1990s. We see the UK economy, once it had recovered from the awful blip of the Lawson boom and our disastrous two year foray into the ERM, moving ahead of those of Italy and France to become the fourth largest in the world. Ever more striking now was the contrast between Britain's economic record and the increasingly sclerotic performance of our main continental rivals, as their unemployment rate soared to 10 per cent and more, while their growth slowed almost to a halt.

Even more striking than this, however, was the contrast between the performance of Europe as a regional bloc and that of other economies across the world. America was still way ahead of the rest, but among the countries now hard in pursuit were Australia, Canada, New Zealand and those 'tigers' of the East, such as Malaysia, Singapore and Hong Kong. In 1998 the American think tank, the Heritage Foundation, produced its annual league table of the world's most free economies. How interesting it was, as one of our American friends memorably put it, that of

the eight countries which headed the list in that year, "*seven had once been colonies of the eighth.*"

Such was the golden legacy that Mr Blair and Mr Brown inherited in 1997. But alas it was not the end of the story. Fast-forward a final time to the world as it has developed since, and what do we see today? On the one hand we see Europe, having moved even further down the path to that ever closer economic and political union, as the most sluggish regional economic grouping in the world. On the other, the world's most dynamic economies include much of the English-speaking world, those onetime British colonies, now joined by India – along of course with the growing power of China.

Politically we see new alliances forming, such as those between America, Australia and India. Few events in recent years were more revealing than the response of the different world groupings to the Boxing Day tsunami in 2004. Within hours the English-speaking nations of America, Australia and India had joined together to rush ships, helicopters and a mass of practical aid to the disaster area. Meanwhile the European Union made grandiose promises, held conferences, staged a three-minute silence for the victims – but otherwise, apart from the donations of millions of private individuals to provide aid which in many cases never even got where it was needed, it did virtually nothing.

The Blair government has at last made the moves behind the scenes which more than anything else will at last bring that 'special relationship' with the world's leading English-speaking country to an end

And where in all this stands Britain? Laden with ever higher taxes, an ever more swollen public sector, an ever greater burden of regulations, we have been moving ever closer to that 'social model' which has so demonstrably failed on the continent. We are fast losing much of that competitive edge and that spirit of enterprise we won back in the 1980s. In all sorts of ways we are still being sucked down into the ever-increasing morass of spiritless European integration – not least in the truly remarkable extent to which we are selling out our armed forces and our defence industries to some nebulous dream of co-operation with our European allies. It is of course true that in the past seven years Mr Blair has three times taken us to war alongside the Americans, invariably to the dismay of many of our 'European' partners, and certainly in the most recent case to the dismay of many of our own people. But the significant steps now being taken by our government to integrate our defence efforts with Europe make it highly unlikely that this can ever happen again in the future. The irony is that it is the Blair government that has at last made the moves behind the scenes which more than anything else will at last bring that 'special relationship' with the world's leading English-speaking country to an end.

At the same time and in the same general cause of abandoning our past and our roots, we have seen the division of the United Kingdom into meaningless regional governments, the plan to regionalise our police forces, the harmonising of our judicial system with the forms and procedures of the continent, the relentless undermining of our liberties and our democracy. And all to align ourselves with a system of government that is typified by the likes of Jacques Chirac, Silvio Berlusconi, and Romano Prodi. Such are the men, along with assorted crooks and nonentities from eastern Europe and the Mediterranean countries, who today, through Brussels and the European Council, make a large part of the laws which govern us and shape many of the policies which direct our country's future.

Who would have thought 33 years ago, when Edward Heath handed over our fishing waters as a common European resource, that by the year 2006 a dim little unelected apparatchik from Malta would, as Fisheries Commissioner, have far more power to decide what happens in the seas around our coastline than any British minister?

More than ever before we see how we have become prisoners of those decisions so thoughtlessly agreed to 30 and 40 years ago. In a fit of national depression we recklessly tossed aside hundreds of years of history and all the hard-won values which had

In a fit of national depression we recklessly tossed aside hundreds of years of history and all the hard-won values which had come with the English-speaking nations

come with them. We turned our back on those English-speaking nations scattered across the globe, the countries which drawing on their British inheritance have given the world much of what it means by democracy, by liberty, by justice – to throw in our lot with a new and very uncertain destiny. Today, in the age of the internet, from the pre-eminent power of America to the awakening energies of Australia and India, from the prairies of Canada to the proudly unsubsidised farmers of New Zealand, the Anglosphere flourishes like no other tradition on this planet. But where is the country whose imagination, enterprise, courage and spirit of adventure set all this in motion?

Did we really back the winning horse 40 years ago? Are we not now even more lost than we were back in the early 1960s when we took this fearful gamble?

Ask the political class which has assumed virtually unchallengeable power over our nation in recent years – the Blairs, Browns and Prescotts, and now Mr Cameron and his friends – and so pitifully shrunken have their mental horizons become that they would scarcely even understand such questions. What is history to them, but something to be despised and disregarded?

Have the British people really been well served? Might they not have been worthy of something better?

This article is based on a speech given by Mr Booker to Bruges Group with Lord Tebbitt on 25 April 2006.

Christopher Booker contributes a weekly column to the Sunday Telegraph, *and recently, with his co-author Dr. Richard North, published a new updated edition of* The Great Deception: Can The European Survive? *(Continuum, £9.99).*

The People *v.* the Organised Minority

by Syed Kamall, MEP

Jesse Jackson once said, *"In politics, an organised minority is a political majority."* His words were meant to highlight the growing influence being exerted by a generation of Americans whose issues had been creeping up the political agenda for two decades. But today, his words can also be applied to a different project – the ongoing effort to unify Europe.

The European Union has become a project driven by the 'organised minority' who promote a European project of further political integration that makes the man in the street baulk. Yet still the oil tanker thunders on towards the promised land of a federal superstate. The political majority does not want it but widespread apathy too often allows the organised minority to steam ahead.

A few weeks ago, I published the results of an independent poll into Britons' and Londoners' attitudes towards the European Union. The results confirmed what many of us had known all along: the European politicians and bureaucrats responsible for a vast proportion of Britain's laws are distrusted and the electorate does not want them to centralise more power to Brussels.

But the poll also showed apathy had set in: very few people had bothered even to find out or know who are the European politicians and bureaucrats governing in their name. Only 15 per cent of Britons could name the UK's European Commissioner (Peter Mandelson) whilst just one in ten could name one of their region's MEPs (Kilroy must be fuming).

The survey of 2,369 people from across the UK showed Britons still maintain a love affair with many aspects of continental social and cultural life. Three-quarters of those surveyed favour food and wines from mainland Europe and choose continental holiday destinations. One-third speaks or is learning another EU language and almost 25 per cent admitted to watching the Eurovision song contest!

But whilst Britain has become a nation that is comfortable with embracing European lifestyles, its people have increasingly come to disassociate themselves from the politics of the European Union. Only a third of respondents positively wanted to stay in the EU, one-third wanted to leave and the final third had no opinion. More than 67 per cent of those surveyed complained that the EU imposes too much red tape at taxpayers' expense, while 62 per cent rejected the idea that the EU should have more powers over Britain – not even to fight terrorism or global warming.

That we are not popular is hardly a revelation to many of my realistic European Parliamentary colleagues. If we are honest with ourselves, we know that the British people were sold a false prospectus in 1973 and have been denied the opportunity to vote on our participation in the process of political union ever since. A trip to any coffee shop in Britain for a chat with the locals will soon make you understand the hostility towards the EU project.

Advocates of the European project are viewed as both dogmatic and dull. The organised minority is categorically failing to carry the rest of the continent. Some might suggest the European Union requires a public relations makeover. I would suggest it needs nothing short of a total structural overhaul.

So what needs to change? The direction of the European Union – in theory – is set by the Council of Ministers, which is indirectly elected. Their actions are scrutinised by the European Parliament, which is directly elected, although MEPs hardly have an overwhelming mandate given the low turnout at European elections.

But far too often the European Court of Justice acts as the unbridled force behind some of the most prolific acts of European integration. These judges, who are elected by (and accountable to) nobody have been responsible for some rather colourful interpretation of the European Union's Treaties in the past year.

First, there was the judgement made last September when the ECJ ruled against the Council's right to decide unanimously under the 'third pillar' whether certain environmental offences should be criminalised across the EU.

The Court ruled in favour of the Commission, which said that such decisions should be taken under the so-called 'Community method' – that is, a co-decision procedure of approval by MEPs and a qualified majority in the Council.

This ruling gave the European Union an unprecedented level of power over determining British criminal law and once again eroded a key tenet of national sovereignty.

A few months later in November, that other great unelected body, the European Commission, put forward proposals that would extend the EU's competences beyond criminal penalties solely for environmental offences.

A huge violation of each country's right to decide criminal matters for itself was occurring before our very eyes – and elected representatives from national governments and the European Parliament were powerless to prevent it.

The ECJ has also recently ruled on a landmark patient mobility case. It said NHS patients should be reimbursed for medical treatment abroad if they face an 'undue delay' for surgery at home. The Yvonne Watts ruling advanced the cause of patient choice considerably but still, she was told to go back to the domestic courts to get back the £4,000 she forked out for her operation in France. That smacks of a Court that is more concerned with setting supranational EU policy than actually helping a grandmother recover the money she is rightfully owed.

The Yvonne Watts ruling was positive but it should not have been left to judges to set this important aspect of EU policy. Politicians are elected to grapple with these hot topics but instead the EU has left this policy area to be set by the Court.

There have been many more cases where the ECJ has rushed in where angels fear to tread. Some judgements I believe have been positive for British citizens – such as the rulings that complete the Single Market or side with the British consumer. But other judgements have advanced the competences of Brussels into areas where even national governments believe the EU has little role to play.

The ECJ has no masters, no electorate. So it does not need to take public opinion into consideration and often it makes decisions that British voters lament. Over the past few months, the headlines have been dominated by ECJ rulings. If the British public associate EU integration with a group of people in a remote court based in Luxembourg, of course they are going to be turned off from the EU. They might also wonder what the point is of electing MEPs if the Court is where all the action is.

The most criticised institution in the EU is undoubtedly the European Commission. It is the frontline of the EU, which is why I

was surprised so few people could name Britain's European Commissioner in the survey.

The Commission may be the civil service of the EU but its political bias is what has caused it to become an almost reviled institution in many quarters across the UK. The European Commission is the core of the 'organised minority' that rules the EU. It has a vested interest in increasing its powers, and the competences of the EU. It is staffed by converts to the project.

This is not to say that the Commission lacks skill. Their recent tough stance on mobile roaming fees will save British holidaymakers a great deal this summer. Their approach to the bird flu threat has generally been well organised and responsive.

But its remit to promote ever greater Union inevitably means that it will provoke disquiet from people living in Britain. Proposals such as outlawing church organs, scrapping our 'Red Ensign' flag and the Sunshine Directive, which would have forced barmaids and builders to cover their chests when outside, are recent cases in point.

It is not just the slightly barmy regulations that come from the Commission – which are often ridiculed into withdrawal – that offend people. There have been many more that are intended to be quite serious: The Working Time Directive; the Common Foreign and Security Policy; plans for EU taxes; regulations on our roads; damaging trade protection measures. The list is endless.

The European Commission's *raison d'etre* is to create 'more Europe' and it does so in a way that is harmonising upwards, latticing the continent with red tape. Britain has a culture of following rules that is sometimes lacking in many other EU Member States. So when the EU passes the Working at Height Directive, every single window cleaner in the UK finds himself complying to the letter of the law, whilst the window cleaners at the European Parliament in Brussels lean off high, unsupported ladders with no consequence. I've seen them!

Britain is a nation that is used to having a few rules and sticking to them, whilst the continent is more used to having endless regulation that most people flout. This cultural difference is what is causing so many British businesses, their employees and consumers to feel the European Commission is working against them, rather than for them.

Are people turned off solely by the endless red tape? I do not believe so. The European Union has categorically failed to understand what people want from it. Instead of listening to people's 21st Century aspirations, the EU leadership is sticking to 20th Century dogma. Commissioner Margot Wallström – who is in charge of the EU's communication strategy – has even tried to use the argument that politicians who resist pooling sovereignty run the risk of returning to Nazism and the World Wars. She is debating as if we were living in 1946, not 2006.

Advocates of further integration show a total inability to understand why someone might be opposed to the growth of a corporate state, a centralised unelected bureaucracy arbitrarily fixing a continent's laws, the unification of currencies and armed forces, the politicisation of the judiciary and the sidelining of elected politicians. All these are hallmarks of Europe's worst 20th Century regimes; they are also the hallmarks of the EU today.

Despite emphatic rejection by two Member States last year, the Commission is obstinately refusing to back down on the European Constitution. It is now trying to find some way of harvesting parts of it to be implemented through both the front and back door.

The Commission's priorities are mainly wrong. When it comes to other aspects of EU policy (ones that might create jobs), the Commission tends to shy away. Take the Services Directive. Where has the Commission been? Instead of providing a lead to the Council of Ministers and the European Parliament, the Commission has left it up to MEPs to hammer out a compromise that falls short of what is needed if we are to have a truly dynamic services sector in Europe. When it comes to areas where we need leadership, the Commission is nowhere to be seen. When we would rather be left alone to deal with our own affairs, the Commission is there trying to supranationalise the competence.

Many MEPs are no better. We do not have a Westminster level of scrutiny. There are only a handful of committed and talented journalists out here and something fairly big has to happen for an MEP to get onto the news. It is all too easy for an MEP to 'go native' because he or she is not under the spotlight to the same extent as an MP. The lack of a constituency link is also enabling an MEP to disappear into the Brussels and Strasbourg wilderness until such a time as reselection comes onto the horizon. Is it any wonder that people see us as being on a gravy train?

The fact is that many of us work extremely hard for our constituents. We pass a huge amount of legislation – some of which can be very positive for Britain. But it is often too abstract and our constituencies are too big for us to translate exactly what the 'proposal for a regulation on common rules in the field of civil aviation security' will mean.

The legislative buck does not stop with the European Parliament either. If the British Parliament passes legislation, it becomes an act of law. If the European Parliament passes it, it will have to go back to the Council of Ministers who could amend it, or worse still pass it in the early hours of the morning when the Brussels press corps is sound asleep. These procedures hardly allow for a good airing of impending directives or regulations.

The European Union is failing to carry people along with it and British MEPs are failing to communicate their role to the people they represent. I will shortly be bringing forward a campaign to re-engage with the people of London and I suggest other MEPs do the same. Far too much of the European agenda is being driven by unelected judges, unelected Commissioners and elected MEPs – whose commitment to a deeply unpopular project goes unpunished because their actions are hidden from a distrustful electorate.

The British people are waking up to the nature of the European project and they will not maintain that stiff upper lip forever. Eventually, something will have to change. Either the organised minority will have to reverse the project of centralisation or the British government will have to renegotiate the terms upon which the United Kingdom engages with the organised minority.

Another American politician, Benjamin Franklin, spent most of his life trying to reform his country's relationship with Britain. He ended it a convert to and pioneer of the cause of complete American independence.

If we cannot reform Britain's relationship with Europe and the organised minority in Brussels continues on its current trajectory, there will be many more converts to the cause of complete British independence. Like Franklin, I may even be one of them.

Syed Kamall has been Conservative MEP for London since May 2005. He is currently a member of the Committee on International Trade.

An Exciting New Political Force in Europe

by Geoffrey Van Orden, MEP

David Cameron's welcome commitment to establish a new political group in the European Parliament, and therefore to break the Party's affiliation to the European People's Party-European Democrats (EPP-ED) Group may be regarded by some as a marginal issue in the wider scheme of European affairs, but it has profound political implications. That is why it has attracted controversy and stirred opposition from those who would prefer to let sleeping dogs lie, for the Party's attitude to the EPP is closely related to its attitude to the European Union as a whole.

The EU was created in a bygone era for purposes that were commendable at the time, but it is now overblown. It has lost its way and is not popular. For hard evidence of that, turn to the European parliamentary elections two years ago, which marked a victory for Eurosceptic parties and for apathy. Last year, to reinforce the point, French and Dutch voters turned out in force to reject the proposed European Constitution.

One could draw different conclusions from these events: you could convince yourself that voters actually love the EU but seized opportunities to express dissatisfaction on other issues; you could blame European electorates for their ignorance and for not fully appreciating the merits of the EU; or, perish the thought, you could seriously question the way the EU has developed and where it is going.

That last thought did indeed perish very quickly among the relatively small but highly committed group of Eurocrats – officials and politicians – that drives the EU Project. They prefer to ponder new ways of bringing the EU *"closer to the people"*. This includes spending more money on advertising; slowing the process of enlargement (as 'widening' demonstrably seems to mean less 'deepening'); and reacting vehemently against anyone who opposes their activities. Their own articles of faith are a commitment to the process of ever closer union, extending the powers of the European Commission, overcoming what they see as the twin curses of nationalism and intergovernmentalism, and the creation of an over-arching 'European state' with a global role.

I believe that the Conservative Party in Britain today takes a different view. It attaches importance to national sovereignty and accountable government, to free markets, deregulation and openness to the world, and strong Atlanticism in terms of foreign and defence policy. It is therefore essentially Eurosceptic and, in this regard, it probably reflects the sentiments of the majority of people in the UK and perhaps many other countries. Bear in mind that if you are a voter in Germany or France, and have doubts about the EU, there is no mainstream political party that reflects your views. The political establishment in both countries has provided the driving force for the EU since its inception, and regards as heretics those who question its central tenets.

If you are a voter in Germany or France, and have doubts about the EU, there is no mainstream political party that reflects your views

It is for this reason that the entrenched cartel that runs the EU has reacted so strongly to the idea that a reasonable, mainstream political force might emerge that would challenge its unrepresentative domination. And that in turn is why the proposal that Britain's Conservatives in the European Parliament should break with the EPP-ED Group and launch off to become the core of a new group is viewed with such alarm. I have never known an issue as inflammatory among political pundits, let alone among political opponents. And I have never known so much political energy to be expended by those within the old guard who are opposed to the idea.

The new group would not be a mere technical alliance to suit parliamentary needs. It would constitute a new geopolitical force in which British Conservatives and like-minded parties across Europe would seek to shift the EU in a different direction.

Many observers take the view that there is an inevitability about the course of the EU, and that fundamental change is neither possible nor desirable. We disagree profoundly; the EU has to change. Its institutions (Commission, Council and Parliament) are predicated on the idea of an integrated European state and a new European 'demos', which it is also their mission to create.

The European Commission is already powerful and is constantly extending its range of competence. It is inherently undemocratic – its College of Commissioners is appointed and is barely accountable, while its staff are, for the most part, recruited according to federalist criteria.

The Council is a purely notional constraint. It is organised and supported by a secretariat whose federalising motives differ only fractionally from those of the Commission. The actions of our government ministers sitting in Council in Brussels are remote from their electorates and are neither subject to meaningful scrutiny nor understood by public opinion. They are advised by national officials for whom the habits of the Brussels routine have become ingrained.

The system for electing MEPs on party lists to represent vast 'regions' rather than single-member constituencies is a meaningless imposition. In most countries (the UK is among the few exceptions) the selection of candidates to party lists is biased in favour of protagonists of the EU project, who tend to be critical only of the speed and effectiveness of its implementation rather than its fundamentals.

What is now really exciting is the possibility of having an active, campaigning, politically astute group, harnessing its resources for new political purposes that would at last project the views of enormous numbers of people across Europe.

With some minor exceptions, national party delegations in the European Parliament belong to multi-national political groups that should each reflect a broad consensus of views. In its organisation of day-to-day business and in its funding, the Parliament is structured to encourage the group system, and it now intends to extend the concept to funding transnational political parties across the EU.

There are at present seven political groups, each required to have a minimum of 19 members from at least five Member States. The largest is the centrist EPP-ED made up of 264 members, followed by the Socialists with 200. Neither commands a

majority in the 732-member Parliament.

For some years, the UK's 28 Conservative and Unionist MEPs have been allied to the EPP. This might seem reasonable, as the EPP ostensibly comprises our 'natural' political allies among the Christian Democrat parties across Europe. But the reality is rather different, particularly with regard to the key questions about the future of Europe. The EPP regards itself as *"the motor of European integration"* and was the prime mover behind the European Constitution. It wants an EU army, an EU justice system and an EU 'FBI'. It also wants an end to the British rebate on its EU budget payments and to the UK's permanent seat on the UN Security Council. And of course it wants the euro and a Europe-wide tax system, so you might well ask which part of such an agenda are Conservatives supposed to support?

Conservative MEPs have difficulty sustaining 'Eurosceptic' credentials at home when in Brussels they are affiliated to one of the most federalist blocs in the Parliament

The EPP is not a centre-right party and angrily rejects being labelled right wing, centre-right or indeed conservative. Conservative MEPs have difficulty sustaining 'Eurosceptic' credentials at home when in Brussels they are affiliated to one of the most federalist blocs in the Parliament.

The strongest argument we Conservatives now hear for staying in the EPP-ED is that we 'have influence' – i.e. we can swing another 236, otherwise contrary votes. This is a superficially attractive claim, but there is very topical evidence that it is unrealistic. A British Conservative who was the EPP-ED coordinator on the Parliament's Internal Market Committee actually drew up terms for the final EPP-ED whip on the Services Directive that were so blatantly out of step with Conservative thinking that the British Conservatives had to draw up a separate whip! In other words, even in economic and fiscal policy, where there is supposed to be the greatest commonality of interest, we don't influence the EPP but, instead, are compromised by its agenda. Yes, we can help arrange those hundreds of votes, provided we agree with EPP policy in the first place.

We British Conservatives will, of course, continue to work closely with the EPP whenever possible, and it is more likely to take account of our policy positions when it has to court our votes rather than taking them for granted. And I have no doubt that, as it becomes clearer that David Cameron has every likelihood of becoming Prime Minister, Angela Merkel and other European leaders will be very anxious to do business with him regardless of political groupings in the European Parliament.

We can also look forward to ending the practical disadvantages in our EPP affiliation that have rendered us invisible and toothless. Our views are not represented in the Conference of Presidents, made up of political group leaders, which makes all the important decisions about the running of the Parliament and its business. As part of the EPP-ED Group we have not sat as a physically coherent and visible bloc because British Conservatives are dispersed alphabetically throughout the group. Our voice has not been heard in big set-piece debates. For instance, when Tony Blair came to the European Parliament it was Hans–Gert Poettering, the EPP-ED Group's leader, who took the floor on our behalf. Blair had left the Chamber by the time the leader of the British Conservatives had a chance to speak.

Contrary to the agreement when Conservatives signed up to the EPP-ED Group, we have been unable to recruit centre-right parties to join us in our ED bit without the approval of the EPP-ED Group as a whole. Outrageously, it now seems to have the last word even on membership of the British Conservative delegation. My colleague Roger Helmer has suffered suspension of the Conservative whip for over a year because his readmission to the Conservative delegation would complicate the relationship with the EPP!

Furthermore, we have had little control over the recruitment and management of staff allocated to us, and we contribute a significant proportion of the financial support provided by the Parliament to the promotion of political causes to which most of us are fundamentally opposed. The EPP skims off roughly half our funds.

For all these reasons – political, practical, and in terms of our integrity – I fully support David Cameron's intention that the British Conservatives should create a new group in the European Parliament to more accurately reflect the views of the British people and our own core values and beliefs on Europe.

This new group will start as the fourth largest in the Parliament and will attract more members once it is up and running. It will comprise mainstream parties of government and other serious politicians that are uncomfortable with their own positions and with the nature and current thrust of the EU itself. Our allies will most certainly not be fascists, or indeed anti-Conservative elements such as the UK Independence Party (UKIP), or any of the other false targets on which opponents of the break with the EPP are so fixated.

The modern Conservative Party under David Cameron's leadership seeks to occupy more of the centre ground in British politics. On Europe, that centre ground has shifted in recent years and is now the 'Eurosceptic' position occupied by the Conservatives. To the left are those who seek close political integration with Europe, to the right those who wish to sever all links with Europe. From our standpoint, nothing could be more outmoded than the social market, ultra-integrationist model devised some 50 years ago and still promoted most vigorously by the EPP.

I am under no illusions about the difficulties in establishing a new group, given the need to take account of the interests, coalitions and sensitivities of political parties in many different countries. But with political will, it can be done sooner rather than later. Once up and running, it will become a very visible and potent force that can serve as a rallying point in the European Parliament and beyond, setting the agenda rather than being a victim of it. Because it will be close to the beliefs and values of our citizens, it will actually help us win elections. Then we shall have a real opportunity to bring about the change in Europe that is so vitally necessary.

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Geoffrey Van Orden is Conservative MEP for the East of England. He is Vice Chairman of the European Parliament's Foreign Affairs Committee and Conservative Spokesman on Defence and Security Policy. He can be contacted at gvanorden@europarl.eu.int or at 88 Rectory Lane, Chelmsford CM1 1RF.

Metrication – three years left to save democracy

by Vivian Linacre

The EU uses twenty different languages, from Swedish to Greek and Polish to Portugese, at an annual cost in translators, interpreters, printing and paper, of hundreds of millions of euros, but cannot tolerate more than one system of weights and measures. Even within the British Isles, Wales and Ireland are bilingual, in accordance with the Maastricht Treaty of 1992 whose Articles 126 and 128 specifically refer to the preservation of national cultural and linguistic diversity. Yet by 1 January 2010 any use of the imperial system of weights and measures in trade will have become a criminal offence. 'Diversity' and 'inclusiveness' are the buzzwords, while a metric monopoly is forced upon us. It's '*Vive la Différence!*' for languages but '*Vive l'Uniformité!*' for weights and measures.

It's *'Vive la Différence!'* for languages but *'Vive l'Uniformité!'* for weights and measures

English is the EU's indispensable *lingua franca*. Yet compulsory metrication prohibits use of vital parts of our common speech. For the names of customary weights and measures – inch, foot, yard, rod/pole/perch, chain, furlong, mile, fathom, knot, acre, ounce, pound, stone, ton, pint, quart, gallon, etc. – are integral to the language. The Bible and Shakespeare are full of them. So the EU prohibits the use of so many terms in the language which is its own principal means of communication.

In contrast, names of metric units have a cultural value of nil. They are technical terms rather than natural words, distracting and obtrusive in ordinary speech or text. Nobody will ever wager a kilogram of flesh or go that extra kilometre. That is why the world's most popular children's authors of the present and last generation – J.K. Rowling and Roald Dahl – use imperial for references to weights and measures in their stories. Compulsory metrication is totalitarian because it dehumanises as well as oppresses. For its primary purpose is not so much the prohibition of customary measures for use in trade but rather the destruction of their aesthetic and traditional connotations. This is 'cultural cleansing'.

The invention of the metric system was quite unnecessary. All France needed was to eliminate the chaotic multiplicity of measures throughout the cities and regions, which could have been achieved simply by adopting the existing Parisian system nationally, as was advocated by several *savants* and *philosophes*, including the great chemist Lavoisier, discoverer of oxygen, who was guillotined for his pains. England first standardised customary measures after Magna Carta in 1215 and the imperial system was refined after the Napoleonic wars six hundred years later – an entirely peaceable, evolutionary process. In contrast, the alien metric system had to be devised in order to help overthrow not just monarchy and church but the entire cultural heritage. It is a relic of the Reign of Terror. Thanks to the EU, supported by a repressive government and a climate of political correctness, a new, intellectual Reign of Terror now threatens the UK.

In any economic union, the first imperative must be a common currency, compared to which a common system of weights and measures is a low priority. There can be no economic union without monetary union. Yet our government, having secured an opt-out from the euro – thereby demonstrating Britain's lukewarm attitude towards EMU – is nevertheless enforcing metrication as if that were essential to our membership of the EU. We are permitted to keep the pound sterling but not the pound *avoir-du-pois*! Devoted though I am to the Imperial system of weights and measures, I would never have realised, if Brussels had not insisted, that it is actually more important than sterling to the economy of Europe.

But just as most MPs and MEPs remain in denial about the steady erosion of parliamentary democracy and civil liberties, so they still remain in denial about the abolition of customary measures and the EU's responsibility for it.

Glenys Kinnock, prominent MEP and wife of the then EU Commissioner, wrote to a constituent on 13 March 1995, signing the letter personally:

"I have contacted the European Commission to check whether there are any proposals in the pipeline which would mean enforced metrication in Britain and have been informed that there are no such proposals afoot. Unfortunately, from time to time such stories about Europe tend to circulate… I hope this information is helpful to you."

That was written more than two months *after* enforcement (by the Metric Regulations of 1994 in compliance with Directive 80/181/EEC as amended by 89/617/EEC) of the first set of regulations, governing the sale of wines and spirits (e.g. millilitres instead of gills) with effect from 1 January 1995, and barely six months *before* enforcement of the major second set, imposing metrication on the sale of all prepacked goods as from 1 October that year! Was the Commission systematically lying to MEPs, or were they so appallingly ignorant of – or indifferent to – what their masters were doing to their own country?

Similarly, on 2 August 1994, Labour MP Paul Flynn had responded to a constituent's enquiry: *"I do not know of any such proposal. If you come across any written reports I would be very glad to see them. It is not wise to comment on 'rumours' as so many of them turn out to be baseless."* No attempt to verify, when presented with the facts! Yet the Regulations were 'nodded through' Parliament only three months later. Meanwhile, he had to ask an ordinary constituent to keep him informed because, like most MPs today (with their lavish facilities including research assistants) he hadn't a clue, and anyhow preferred to remain in denial about anything emanating from Brussels – while blaming the electorate's apathy for plummeting polls.

Even now, the DTI and BBC perpetuate the lie – with never a challenge by any MP or MEP – that compulsory metrication was not imposed by the EU but was adopted as a voluntary commitment by the British government in 1965. It is based on the flimsiest fact that on 24 May that year Douglas Jay, President of the Board of Trade, answered a planted parliamentary question to the effect that he *"hoped"* that Britain would convert to the metric system within the next ten years, while stressing that it would always

remain a voluntary process. That was all: no debate, no documentation. Ten years later Tony Benn, as Secretary of State for Industry, renewed the voluntary pledge, so metrication got nowhere. In 1980 Margaret Thatcher scrapped the Metrication Board and in 1985 passed the great consolidating Weights and Measures Act, which accorded the Imperial and metric systems parity in a free market.

But the real significance of that otherwise meaningless House of Commons statement in 1965 was that, after Macmillan's attempt in 1962 to join the Common Market had been blocked by de Gaulle, Labour regained power in 1964, whereupon Harold Wilson – determined to succeed where Macmillan had failed – launched a second bid, in support of which he gave this undertaking to abolish the Imperial system of weights and measures as part of the price he was prepared to pay. But all in vain, for in 1967 (because it was imperative to enshrine the Common Agricultural Policy before Britain was admitted) de Gaulle declared, *"Encore non!"* Finally, on entering office in 1970, Edward Heath and Geoffrey Rippon immediately offered wholesale concessions, including the sacrifice of Imperial measures, to secure success for a third bid, publishing his White Paper on *'Metrication'* in 1972 to coincide with the European Communities Act. But even that publication still emphasised the voluntary principle.

The very reason for the original EEC Directive of 1980 was the realisation in Brussels that without compulsion backed by criminal sanctions, Britain would never go metric. In its final report of that same year, the Metrication Board recorded the problems it had encountered: the voluntary approach adopted by government, difficulties with the retail trade, continued use of Imperial measures on road and speed signs, and surveys which all showed that the majority of people were still not in favour of a transition to the metric system. Twenty-five years later, nothing has changed – hence the ever-tightening compulsion. Meanwhile, the very reason for the amending Directive of 1989 was to dismiss the UK Constitution by overturning our 1985 Weights and Measures Act.

Despite this transparent narrative, showing that from its origins compulsory metrication has throughout been dictated by the EEC/EU, the 'Big Lie' – that Britain took a decision to embark on metrication over forty years ago, long before joining the EEC – still persists. Tyranny must create a primal myth, founded on an imaginary historical datum, in order to validate its origins. Hence the fable of '1965 and All That'!

The 'Big Lie' – that Britain took a decision to embark on metrication over forty years ago, long before joining the EEC – still persists

A House of Commons Library Research Paper (95/78) dated 22 June 1995 tells the grisly story of the 1989 amending Directive which initiated the compulsory process.

"*It was proposed as a Single Market measure and consequently it came under the co-decision procedure, subject to qualified majority voting in Council.* [So the UK, against which it was principally aimed, had no say in the matter.] *Following its progression through the European Parliament and Council, the Directive was finally adopted at a General Affairs Council on 27 November 1989. The following Ministers were present at the Council from the UK: Douglas Hurd, MP, Linda Chalker, MP, and Francis Maude, MP.*"

This was a Foreign Office team, whereas weights and measures are a Trade & Industry concern, so they probably had little notion of what they were doing there.

But compulsory metrication has always been a foreign affairs issue: it has never had anything to do with trade and industry or consumer interests. As a DTI official remarked to me:

"*We here are forever trailing after the Foreign Office, with a shovel in one hand and a bucket in the other, clearing up the messes that they leave behind.*"

Throughout the thirty-year period of gestation, there was no mention of proposals to criminalise customary weights and measures in any Queen's Speech, nor in any party's general election manifesto. No question of a popular referendum on the issue has ever been mooted, for the usual reason – the government knows it would lose overwhelmingly.

During my correspondence in 1997-98 with Martin Bangemann, EU Commissioner for Industry (then the most powerful man in Europe, although not one per cent of the UK electorate would have heard of him until he had to resign in disgrace at the end of '99) and discussions with his lieutenants in charge of the Metrology Unit in Brussels, I was told:

"*You have to understand that Britain is in an anomalous position, being a full partner in the EU yet using the same system of weights and measures as the USA, thereby gaining an unfair advantage in transatlantic trade.*"

That let the cat out of the bag! The sole reason for compulsory metrication, leading to the conviction of my friend, the late Steve Thoburn, for the crime of selling a pound of bananas, is the EU's visceral loathing and envy of the UK-USA cultural and commercial bond. Westminster, of course, simply agreed that we must abandon the huge benefits hitherto enjoyed from sharing a system of weights and measures with the world's super-power. There was nothing the EU could do to forbid us from speaking the same language as North Americans, but the metrological bond was one that they *could* try to break.

The sole reason for compulsory metrication is the EU's visceral loathing and envy of the UK-USA cultural and commercial bond

After the US Civil War, an Act of Congress in 1866 made the optional use of metric units legal in the USA, since when the two systems have co-existed harmoniously. 'Dual marking' – metric and 'English' units together – is mandatory for a wide range of merchandise. Otherwise, the marketplace dictates which is preferred. There they still believe in freedom of choice. Here, a corresponding Act of Parliament was passed in 1897 so that for almost a hundred years we too enjoyed that flexibility and global reach. It was never an issue. When my generation – and many before – sat grammar school entrance exams, the arithmetic papers included questions in both Imperial and metric. What's the problem? All the conflict, confusion and controversy have been caused by the EU's arbitrary, vindictive attempt to impose a metric monopoly. Every trade, industry, business and institution that ever wanted to

go metric did so ages ago, and others would always remain free to do so; therefore compulsory metrication can only apply to those who, for some good reason or another, would rather not.

It is as if, having lived by ourselves for a thousand years in a nice big house, we took in lodgers a century ago and happily shared with them, until they started throwing out our belongings and started treating us as squatters in *their* house and are now complaining because we haven't quit!

In only 3½ years' time – as from 31 December 2009 – the whole Imperial system is due, for all practical purposes, to disappear

As politicians and the press appear to have forgotten, in only 3½ years' time – as from 31 December 2009 – the whole Imperial system is due, for all practical purposes, to disappear. Under Statutory Instruments 55 & 85/2001, that is the expiry date of the 'derogation' (tolerance) which has meanwhile permitted use of customary units as 'supplementary indications' (i.e. alongside but subordinate to the primary metric marking, purely by way of additional information for the customer's benefit). It is not enough that goods have to be weighed and priced solely in metric: no, it will be an offence even to mention, for the sake of comparison, the Imperial equivalent.

When that deadline was fixed, it was assumed that by then the country would be very largely metricated; but suddenly the authorities realise that as matters stand the people won't be nearly ready to submit to a metric-only regime. Enforcement would cause a huge outcry. But to grant yet another extension, say to 2010, would incur Brussels' displeasure and destroy the momentum and credibility of the whole metrication policy. So the metricksters' are desperate, as their only hope is a final big push over the next two or three years, to strengthen the next administration's confidence in sticking to schedule. Hence the recent attacks on the pint and on Imperial road and speed signs, both of which were successfully repulsed.

Whether, even if the derogation were allowed to expire, its prohibition could be enforced, is a different matter entirely. In practice, how could local authority trading standards officers throughout the country possibly police the nation's entire manufacturing industry and retailing trade on such a minor detail, taking time off from fighting fraud and fakes and drugs trafficking? If one can of soup just shows '454g' while the other adds '(1 lb)', will the latter's proprietor really be prosecuted? What's more important, under a government that is forever prattling about Human Rights, what Court would uphold any such prosecution? Have freedoms of expression and of commercial speech been extinguished altogether?

Is not the extinguishment of the 'derogation' in any event open to challenge on the grounds that the right to use supplementary indications cannot be withdrawn because, in the first instance, the EEC had no right to grant it! It was never in their gift. By what authority would they claim the right to arrogate unto themselves the right originally to grant that right and hence ultimately to cancel it … and so on *ad absurdum*! The DTI can require that a can of soup is weighed and priced by grams but cannot prevent such extra wording on the label as "*Warning: this soup is wet*" or " *the contents of this can weigh 1lb.*"

This is the classic clash between English *proscriptive* law, which defines what you *cannot* do, the presumption being that you are free to do anything unless it is expressly forbidden, and continental *prescriptive* law, which defines what you *can* do, the presumption being that you cannot do anything unless it is expressly permitted. For any prosecuting Council would have to argue that cessation of the derogation implicitly created a new offence of unauthorised use. Maybe such a legal challenge will create constitutional history.

Meanwhile, twenty-one Patrons and Honorary Members of the British Weights and Measures Association signed a letter to the Prime Minister, calling for a permanent extension of the derogation. An edited version of the letter was published in *The Times* on 21 April, the subscribers being: Trevor Bailey, Christopher Booker, Jilly Cooper, Roy Faiers, Sir Ranulph Fiennes, Sandy Gall, Candida Lycett Green, Jools Holland, Prof. Richard Holmes, Vice-Admiral Sir Louis Le Bailly, Dr James Le Fanu, Christopher Martin–Jenkins, Lord Monson, Sir Patrick Moore, William Poole, Sir Tim Rice, Alexander McCall Smith, Andrew Roberts, Quinlan Terry, Sir Rowland Whitehead, and Antony Worrall Thompson. Three more signatures arrived too late for inclusion, from Ian Botham, Edward Fox and Peter Hitchens. Does the government dismiss this comprehensive representation of everything that is good about Britain as of no account?

How many MPs or MEPs would have the faintest idea what a kiloNewton is?

Lords Kinnock and Howe insist that our young people are *"fully in command of metric measures"*. As a practising surveyor, I recently had to post safety notices on the upper storeys used for storage above a row of old shops and then draw them to the attention of the staff, to make sure they understood the danger of exceeding the permitted floor-loading. In every case the assistants, none of whom was aged over 25, all confirmed that they had been exclusively metric-educated and no longer understood Imperial, whereupon I assumed that they had no difficulty with *"4 kiloNewtons per square metre"*, at which their faces went blank. So I asked if the old equivalent of '80 pounds per square foot' meant anything to them, at which their faces brightened in assent. But how many MPs or MEPs would have the faintest idea what a kiloNewton is?

A batch of apprehensive young to middle-aged men entered a hospital waiting room. A bustling nurse marched in, handing each of them a specimen bottle, and gave brisk instructions to drink plenty of water or orange-juice until they could toddle down the corridor and provide the necessary. *"Don't worry,"* she added, *"150 mils will do."* The men looked aghast, plainly thinking, *"She wants 150 … that must be buckets-full!"* So I called across, *"She means a quarter of a pint,"* at which they smiled with relief.

We can laugh, for the enemy has no sense of humour. But the coming battle is in deadly earnest. We have 3½ years left to save what remains of our democracy.

Vivian Linacre is President of the British Weights and Measures Association, author of A Guide to Customary Weights and Measures, *and a professional surveyor based in Perth*.

Europe's Energy Crunch

by Dan Lewis

As President Putin understands all too well, Europe has an energy problem; its economy needs competitively priced energy, its industrialists demand abundant and secure supplies and its politicians want reduced carbon emissions. Yet European nations are achieving just the opposite – rising costs, insecure supplies and unreachable emissions targets.

Almost all Europe's energy comes from private companies competing in liberalised markets, but with government intervention severely limiting the continent's ability to compete. Intensive regulation and lavish subsidies for renewables, nuclear and coal have all played their part. Even gas, once the low-carbon solution, comes with a high-risk premium after last January's Ukraine/Russia dispute.

Unfortunately, as our continent's economy falters, its weakening energy position must worsen. That is because Europe has extra energy costs, due to carbon trading and rising subsidies. This is partly why Europe has become the low growth region of the world, as it prices away its competitive power. Normally such a slowing economy should mean waning energy consumption and lower prices. After all, Europe has a declining and ageing population and its heavy industry, the big energy user, is clearing off to the developing world.

Oddly enough, as output slackens, energy needs will soar. According to a 2002 report by London-based Augusta Finance, electricity generation capacity will have to rise at a staggering 5.7 per cent for many years ahead. This forecast takes into account the retirement of existing plants of 3 per cent, growing electricity consumption of 1-2 per cent and convergence in per capita usage – as the energy-poor Portuguese catch up with the energy-rich Scandinavians. In recent years, however, there has been precious little investment taking place to provide for this future demand.

Virtually no European energy policy initiatives have been geared towards such investment. Instead, the focus has been on environmental targets in the fond hope that these will eventually stimulate investment in cleaner energy technology within the required timescale.

Carbon trading is a classic example. It is intended to create a financial incentive to favour low carbon energy technologies. Over time, it is meant to shift electricity generation away from high carbon coal to low carbon gas and even to zero carbon nuclear and renewables. Unfortunately, stage one – coal/gas substitution – is failing badly. Coal is much cheaper and more plentiful than gas and carbon trading has not been able to overcome this brute fact. That is why emissions have been mounting for the last two years. Carbon trading or no, industry will always prefer cheaper energy, whether it's cleaner or not.

Europeans will be able to make the phoney claim that they reduced emissions, when all they have done is export and increase them

Even if we succeed in making big cuts of carbon emissions, these will not include the carbon emissions created by imports. This is the accounting flaw at the heart of the Kyoto Treaty. Globalisation means moving energy intensive manufacturing out of Europe and into China. An MP3 player purchased but not made in Europe almost certainly required more CO_2 emissions during its Southeast Asian production run. Yet Europeans will be able to make the phoney claim that they reduced emissions, when all they have done is export and increase them.

Even before the dispute between Russia and the Ukraine, European gas supplies were already a headache. Many are asking why one company in one country – Gazprom in Russia – should be allowed to dominate the European gas market. Maybe post-Putin Russia will become democratic and join the European Union. Yet it would be naïve to think that even a democratic Russia would avoid manipulating its gas supplies for geopolitical purposes. And even future European gas supplies from outside of Russia will involve the construction of many liquid natural gas terminals. This in turn requires some assurance about the future price and availability of gas – not an easily forecastable commodity.

So where do we go from here?

Clearly, some sort of nuclear renaissance beckons. What nuclear offers is stable prices far into the future because uranium fuel makes up a small percentage, typically 15 per cent or £5 of the typical megawatt hour price of £30. Germany now is polarising along party lines over whether to reverse former Chancellor Schröder's nuclear shut down programme of all plants by 2020. Tony Blair, on the other hand, could enjoy some cross-party consensus with the Conservatives for a new nuclear programme if Cameron's new look party is willing, albeit without a sizeable per cent of his own backbenchers.

Renewables have a great future too, but it is ultimately China – not Europe – that may accelerate their adoption. Projections are that China's Renewable Energy Law will lead to an additional 60 gigawatts of capacity in wind, solar, hydro and biomass by 2020. Even for this huge nation, this is an enormous increase. But when China's manufacturing base starts mass producing solar cells, wind turbines and fuel cells for the world economy, one can't but foresee a cost breakthrough for alternative energy that just might signify its coming of age.

Arguably, this is already happening. China's economy is growing so fast that they have to bypass traditional infrastructure grids in the construction of new towns. Consequently, China now produces 12 per cent of its hot water from solar thermal units attached to domestic roofs. Yet these very same units cost up to 10 times less than they do in Europe – a semi-protected market dominated by pricey Austrian and German manufacturers.

It may seem far-off now but in the 19th Century Europeans were far ahead of the curve in their application of energy and technology. This wave of innovation could happen again. But only if European policymakers start thinking about lowering instead of raising costs. This means axing subsidies and creating investment-friendly, longer-term energy markets with a minimal regulatory burden.

It's not too late to stop Europe's decline.

Today's policies with their sky-high energy prices, however, are guaranteed to fail.

Dan Lewis is Research Director of the London-based Economic Research Council www.ercouncil.org.

House of Commons European Debate

Wednesday, 14 June 2006

The following are excerpts from the semi-annual House of Commons debate on European affairs.

3.21 pm

Mr Michael Ancram (Devizes) (Con): It is always a pleasure to follow the hon. Member for Newcastle upon Tyne, North (Mr Henderson). He is a glutton for punishment in these debates, and I suspect that I am becoming the same. In my four years as shadow Foreign Secretary, I spoke from the Front Bench on, I think, eight occasions. I missed the last European debate, because I thought that it would be a great relief not to have to be here, but I have been tempted back today. I see that the former Foreign Secretary – now the Leader of the House – has not been so tempted after the many times that he addressed the House on European issues, although he pushed his nose around the door just now to see what was going on. He took one look at us all and fled. Unlike the rest of us, he is not a glutton for punishment.

I congratulate my right hon. Friend the Shadow Foreign Secretary on his tremendously powerful, positive and aggressive speech. The arguments that he deployed have given many of us comfort about where our party is going on Europe at this time. I was delighted that he was able to produce so much new material; I think he said that about 85 per cent of it was new. I managed to find new material for my first two speeches but, after that, I started altering the order in which I delivered the paragraphs, if only to keep myself awake.

I am grateful to you, Mr Deputy Speaker, for calling me to speak. I wanted to do so because I think that something serious is happening within the EU but that we are somehow missing the plot in that we all assume that the European Constitution is dead. We do not like using that word, but that is the impression that has been created in the past months in many debates on the subject. If we really persuade ourselves of that, we will be taken for a very big ride.

I asked the Foreign Secretary about the completion of the process on the Constitution. I said that when I was Shadow Foreign Secretary, I was given to understand that, two years after the signing of the Constitution, it had to be ratified by all 25 Member States. That was made clear to us in a particular way, not least, it was made clear when I pressed for an early referendum from the Government on the issue and was told, *"No, no. We've got two years in which to ratify and we intend to hold our referendum towards the end of that two-year period rather than towards the beginning."*

Suddenly all that has changed. At a relatively unnoticed meeting of the Council of Ministers the other day, the Foreign Secretary and other Ministers decided that they were going to extend the period within which the completion of the Constitution could take place. The Foreign Secretary described it today as the extension of the period of reflection for a year, which sounds innocuous. I take what the hon. Member for Birmingham, Edgbaston (Ms Stuart) says about sitting and thinking and just sitting. But what is happening is neither. What is on offer is a means of trying to find a way to fly in the face of the verdicts of two members of the EU who expressed quite clearly through referendums their view that they did not want the Constitution to go through.

We talk about coming closer to the people of Europe and listening to what they have to say, but what we have here is our government being complicit with many other governments in deciding that if they keep the process of reflection rolling on for long enough, the Constitution will come back again in the end. That is a dangerous precedent to set in a Europe that is asking its citizens to have faith in what it is doing. It is an extraordinary move and I believe that, in some ways, it drew its inspiration from the almost incredible fact that, since last year's 'No' votes in France and Holland, the reaction from the government in this country on the vital question of the future structure of Europe has been a spectacularly deafening silence. I listened with great care to what the Foreign Secretary said today. She did not mention structure. She talked about the nuts and bolts, but she did not talk about the machine or the vehicle. Yet only two or three years ago in all the debates that we had on the Constitution, those issues were the important ones for the government in the development of Europe. Now there is just deafening silence, and that is why we are in danger of being taken in.

In that context, I very much welcome the speeches of my right hon. Friend the Shadow Foreign Secretary – the one that he delivered today and the one that he gave last week. If I may say to him in a friendly way, they have been somewhat long in coming, but it is important that they have now been made. However, for everyone else there is almost the feeling that the future structure of Europe is the issue that dare not speak its name. I was amazed to be told by a senior journalist on a national newspaper – I will not say which paper – that, *"We don't do Europe any more."*

I am not a conspiracy theorist by nature, but it is almost as though the political class – that informal alliance of politicians, journalists and academics – is somehow conspiring to ensure that the natural Eurosceptic instinct of the British people is contained. It is almost as though they hope that, with enough silence, the British people will lose their antipathy to the European project and will allow it to be achieved by default. If they believe that, they will be disappointed, because I do not think that the British people will so easily be turned round. However, if we are not careful, that conspiracy of silence will allow us in the House to be misled.

Ms Gisela Stuart: I agree with the right hon. and learned Gentleman that there is the danger of a conspiracy of silence and I would not wish such an accusation to be made of Conservative Members. I hope that he will tell us what the Conservatives will actually do. I keep listening to them analysing the problem, but I have no sense of what they would actually do.

Mr Ancram: The hon. Lady may well hear, as my speech progresses, what I think should be done. I no longer speak from the Front Bench, but she may recognise some echoes of what I said before, when I did speak from it.

What is really irritating about the silence is that it comes at a time

when the opportunity to influence the future development of Europe has never been greater. I use an analogy that I have used before, but for the last 30 years the development of what is known in Europe as the project has often been described as a single-track train journey towards a country called Europe. We were told that if we were not on the train, we were somehow out of the game. That was the argument put to us. Those who have sought to stand in the way of the train – I see some in their places today – found themselves well and truly bulldozed. The Treaties of Maastricht and Amsterdam, Nice and the second Treaty of Rome all drove forward in one direction only. That was the train moving forward. It seemed unstoppable, indivertible and irresistible. Those who argued otherwise and sought another way for Europe were parodied by people in Brussels as prejudiced politicians whistling in the wind.

Then, suddenly, the wind dropped. Suddenly, the train ground to a halt, not because Brussels lost heart or saw the light, but simply because the peoples of France and Holland looked towards the country of Europe and said no – as, indeed, we would have done in this country, had we been allowed our referendum. That allowed, for the first time in my political lifetime, a real chance to re-open the debate on the future structure of Europe, to explore different structures, to look at different shapes and different tracks.

What I call the Europhiles could no longer argue that the issue was settled and non-negotiable, that the *acquis* could not be revisited, that the pass was sold. Indeed, the Prime Minister, in last year's speech to the European Parliament, effectively accepted and positively proclaimed that the post-referendum era provided a new opportunity for reform. We had the chance at long last not only to press for but to achieve progress on the renegotiation of the Treaties as the price for agreeing a sustainable European Union for the future. We had the chance, in my view, to retrieve some areas of sovereignty that we should never have surrendered in the first place as the bottom line for building a more flexible Europe that could absorb and manage EU enlargement.

I was delighted to hear my right hon. Friend the Member for Richmond, Yorks (Mr Hague) talk last week about the work that needed to be done to complete the Single Market, on which we all felt strongly that the benefits of the EU for the peoples of Europe would depend. He also spoke about co-operation on energy and pollution. We all know that positive measures can be taken and built on to allow the EU to serve its people. Equally, however, I am looking for us to use this opportunity to go further and look for fundamental Treaty reform, which we were told was impossible because the train was running. Now that the train has stopped, why cannot we begin to examine it in detail again? Instead of grasping that opportunity, we are now in danger of seeing it squandered.

Mr Ian Davidson (Glasgow, South-West) (Lab/Co-op): I suggest to the right hon. and learned Gentleman that we are in grave danger of misleading ourselves if we use the wrong comparison. I refer particularly to his train analogy, which implies that there is a single object that is moving in a single direction and that if it is stopped, it can be rolled backwards. Is it not a far better analogy to think about water flowing down a hill? If it is blocked at one particular point, it will find a way round and continue to flow. Simply because the train of the Constitution has been blocked, it does not mean that the flow of legislation and the drive to centralisation has been halted. Those who believe that everything has led to a diminution of centralisation have made an enormous mistake.

Mr Ancram: I used the train as an analogy only because it was presented to me by those who promoted the EU and political union as the end of the track. What I am saying is that if they were right in the past, which we can argue about, they can no longer use that argument because the momentum has gone. What I am saying is that at last we have a real chance to kill this wretched Constitution and ensure that it cannot be revived. We have a real chance to press for a more flexible and less regulated Europe within which the primacy of the nation states, which has been undermined in recent years, can be reasserted. We can now create a Europe of nations rather than a nation called Europe.

My hon. Friend the Member for Stone (Mr Cash) may not agree with the idea of a Europe of nations. He would probably talk about an association of nations, but I think that we would both agree that a healthy Europe – a Europe that will be able to take on expansion, a Europe that will be able to serve people in the future – is one with which people are able to identify through their own nation states. That is the closest way to get that identification, particularly as Europe gets bigger, and we now have the chance to roll back some of the issues on which the nation state has been undermined and to recreate that supremacy again.

I am frustrated about the efforts towards comprehensive and fundamental reform – while the Constitution lies inactive – because this country has done nothing to advance a workable alternative and nothing to retrieve the wrongly surrendered areas of sovereignty. I will mention some of them, as I have before.

I happen to think that it was wrong to sign up to the Social Chapter. There are areas of sovereignty under that that we need to get back. I think that it was wrong that we lost control of our fisheries. I have travelled the country to visit fishing communities only to find that they no longer exist because we got that policy so badly wrong and signed away our ability to look after our fishermen. I come from a farming community and represent it in my constituency, and there are many areas of sovereignty in that respect that we gave away, which meant that we have not served the British farmer. Yes, there are many areas in which we can work hard to try to persuade our colleagues in Europe that, in exchange for a sustainable and workable Europe, changes have to be made.

What worries me is that whenever I advance that view, I am told that it is not worth trying because I will not get anywhere. The hon. Member for Birmingham, Edgbaston has said that to me on occasion, but let me tell her something: if we do not try, we will never get there. There is now an opportunity to try that has never existed before.

Mr William Cash (Stone) (Con): Does my right hon. and learned Friend agree that we were told repeatedly that we would not have a referendum? Were we not told repeatedly that we would not be able to secure a 'No' vote in a referendum – yet that happened in other countries? Is it not really down to our having to exercise our political will? That is how we will take the opportunity that he advocates.

Mr Ancram: I agree with my hon. Friend. My experience in politics is that if one does not try, one never achieves. I want to use this opportunity to try, because I believe that there is a chance of success, but somehow there is a timidity in this country – a desire to shy away from that.

Those on the other side of the argument have not been so timid. Faced with the referendum blows, they have determinedly set about

reviving the Constitution; they are quite open about it. Whatever the Foreign Secretary says, Brussels is working feverishly by means of regulations and directives and through the European Court of Justice to introduce significant elements of the Constitution through the back door. What the Foreign Secretary said about external policy and what would be discussed at the coming summit sounded awfully like the common foreign policy about which we argued on the Constitution. If we are not careful, all those little bits will be brought back – not openly, but quietly and surreptitiously through the back door.

Some are doing that through the front door. Chancellor Merkel, President Chirac and Romano Prodi of Italy have openly joined other leaders in saying that they want to seek ways to reverse the two referendums and to put the Constitution back on its single track. They are not dissembling, so why should we pretend that it is not happening? Yet we do; what was our reaction again today on the question of the future structure of Europe? Silence. It is almost as though we are shocked to find ourselves in a position to lead Europe in a better and different direction. It is almost as though we have no confidence in our ability to secure change.

What a moment to lose our nerve – when people in Europe are beginning at last to question the inevitability of a federalist destiny, which one finds when talking to people in France, Germany, Holland and other places too, and when many of the new members of the European Union, alarmed at what they see as the anti-American sentiment of so much of old Europe, are waiting for a new lead and a new direction. They are astonished by our inaction.

International success is about opportunities taken, about the courage to take risks, about conviction and determination. My fear is that the supporters of the European project show all those in abundance. For our part, never has such a golden opportunity to do so as well been so pathetically missed.

Michael Connarty (Linlithgow and East Falkirk) (Lab): The right hon. and learned Gentleman seems to have a particular view with which, obviously, I disagree. Do not all of us fear that it was national protectionism that drove a lot of the arguments on the referendum and that failed to deliver the Lisbon Agenda and the very things that we wanted, such as a Single Market and an economically dynamic Europe? Surely he recognises that in the UK people are using that train of thought in order to talk about pulling out of any federal or economic unity. This is not about going forward but about going back.

Mr Ancram: I disagree with the hon. Gentleman. At the Council in Laeken, the leaders of the EU suddenly woke up to the fact that what was wrong with Europe was that it had lost touch with its citizens, and it said to the European Commissioners, *"Go away and find a way of reconnecting."* I say, while aware of the presence of the hon. Member for Birmingham, Edgbaston, that the Convention could have done that, but as she has admitted, it totally failed to do so and went in the opposite direction. In my view, that link can be recreated only through national states and the democratic processes within them.

Mr Philip Hollobone (Kettering) (Con): Is not the fundamental problem that the leaders of the main European countries want 'ever closer union', as specified in the original Treaty, but the people of this country and most of Europe do not?

Mr Ancram: There is a strong element of truth in that. We must be careful not to attribute to those leaders the feelings of their people. As I go round Europe, I find that people are not seeking ever closer union – they do not understand what it means. What they want is a Europe that actually makes their lives better.

To be honest, I do not think that the government are interested in pursuing fundamental reform. I believe that the federalist path suits their command philosophy, which falls in rather nicely with the centralisation that will be created if that path is taken. The Liberal Democrats have never made any secret of their desire to be part of a United States of Europe, so they will not be too unhappy with that prospect. The Conservatives are now the only party that can fight to prevent the stalled European train from building up a head of steam again, but we need to do much more than we are doing. We must not only be active at home; we need to go out to the new accession countries. I have visited them all and I am told, *"As long as the constitution is there, we will accept it because that is what we signed up for, but if it is no longer there, we want to be part of the process of developing a future structure for Europe."* Those countries are looking to us to lead. The Conservatives are the only party in this House that can provide that leadership, and I look to my Front Bench colleagues to do so.

When I asked [Mr Straw] whether the government were prepared to make the €16 million that they have received in the past 18 months … from the European Commission available to Eurosceptic organisations or whether that funding was a Europhile propaganda exercise … he was not prepared to answer.

5.40 pm

Mr William Cash (Stone) (Con): Having listened to European debates at periodic intervals in the past 22 years, I have noticed a fluctuation in sentiment. If we take a broad historical and political view, we can see that a new realism has at last begun to pervade debates in the House. The pity of it is that that is not reflected in the government's policies. The Chancellor of the Exchequer, for example, in his five economic tests, his subsequent remarks, the Treasury paper a few months ago and so on, has indicated a change of mood or tempo. If he became Prime Minister he might take a more Eurosceptic view – that is certainly the view of the journalists and distinguished commentators who have followed his career.

Nonetheless, others continue to speak the same old language in an attempt to square the circle. It is impossible, as I said earlier, to persist with the waffle and try to pretend that everything is all right just because the existing Treaties are still in operation. We need a radical, clear-sighted, fundamental review of the European Union. That would not be difficult once it is under way, but – and my motive in saying so is not party political – the government, for all their talk, cannot bring themselves to face reality. The right hon. Member for Blackburn (Mr Straw) made their position quite clear shortly before he left the post of Foreign Secretary, when I pointed out that, to all intents and purposes, the European Constitution was over and done with. The present Foreign Secretary tiptoed around the subject, but she was not prepared to spell out the government's position. That is not leadership.

In a recent debate on democracy, dialogue and debate in the European Standing Committee, the Minister for Europe, using the old Laeken language, said that we wanted to get closer to citizens. The new project, otherwise known as Plan D, would provide an opportunity to reconnect with citizens and their opinions. However, when I asked him whether the government were prepared to make the €16 million that they have received in the past 18 months – indeed, there is much more to come – from the European Commission available to Eurosceptic organisations or whether that funding was a Europhile propaganda exercise driven by the Commission, he was not prepared to answer. I invite him to do so on the Floor of the House this afternoon. Will the money, after proper debate and dialogue, be disbursed on an equal and fair basis among the organisations, or will the power of the state, the Commission and the purse determine the issue?

That question arose, the House will recall, in the second referendum in Ireland. Having lost the referendum on the Nice Treaty, the Irish Government changed the rules so that a lower proportion of money was available for the 'No' vote campaign, with predictable consequences. Basically, we are wasting time, as the period of reflection is going to last another year. It is actually a period of deflection, is it not? As my right hon. and learned Friend the Member for Devizes (Mr Ancram) accurately pointed out, it is an attempt to prolong the silence.

In the last European debate, I said that an eerie silence had descended on the Conservative Front Bench with regard to European matters. I am glad to say that that has gone. We are beginning to speak a more realistic language. We heard from the Shadow Foreign Secretary, my right hon. Friend the Member for Richmond, Yorks (Mr Hague), some words which, although I cannot say they filled me with a deep glow of enthusiasm about the so-called benefits of some aspects of the European Union, revealed a hard bottom line which had been overlooked by many commentators, including many of my friends.

As I noted in a letter to *The Daily Telegraph* yesterday, my right hon. Friend specifically committed the Conservative Party to regaining control over social and employment and similar legislation. I pointed out that it was one thing to say we would do that, which is extremely important, and another to spell out the methods of reasserting national control. I went on to point out that on the Legislative and Regulatory Reform Bill, 130 Conservative MPs supported my new Clause 17, which I am informed was cleared by parliamentary counsel's office as I requested. The Clause stated that it would be available to a government, or to the opposition when in government, to pass legislation inconsistent with the European Communities Act 1972 and, in particular, directives or regulations under Section 2, and that the judiciary must be bound by that provision. That is the crunch point.

The sovereignty of the House depends ultimately on that formulation in the new Clause. It states specifically that the provisions of any subsequent enactment inconsistent with the European Communities Act shall be binding in legal proceedings in the United Kingdom. That binds the Law Lords, which is where the problem lies.

I see the sphinx-like look of the Minister for Europe. For almost two years, throughout the Maastricht debates, he and I jousted. He was – I hesitate to say the bag carrier – the runner for the late John Smith on that Bill. He and I were direct opponents on it, although his job was to table amendments that were as close to mine as possible, so that when we called a Division, the Opposition would be able to try to claim that it was theirs as well. In fact, they were following us into the Lobby, not the other way around. I will not mention your role, Mr Deputy Speaker, as that would be inappropriate.

Mr Jeremy Browne (Taunton) (LD): The hon. Gentleman said that he detected signs of encouragement from his Front Bench and a changing stance on the European Union. Has he received any private assurances that the Conservative Party will remove itself from the European People's Party soon? Will he remain vigorous and rigorous in ensuring that the Leader of the Opposition does not go back on his word to his Party?

Mr Cash: I have noticed a continuing trend – it happened in the debate in the Chamber the other day. The Liberal Democrats are beginning to show a degree of realism. I have never before, for example, heard them making Eurosceptic noises, but they are beginning to do so. Although I am sure the hon. Gentleman is trying to get me to make some statement on the EPP that would suit his purposes, I can say unequivocally that both before the leadership election and subsequently, I have been given clear assurances that we will withdraw from the European People's Party. I do not need to enlarge on that matter, which I know a great deal about because, when I was Shadow Attorney-General and Shadow Secretary of State for Constitutional Affairs, I was directly responsible for advising the then leader on those very questions – I was unequivocal and wrote a clear letter in which I said that we must withdraw from the European People's Party forthwith.

The matter is tied up with the European Constitution. Despite the one-year period of deflection, as I call it, Angela Merkel, the Chancellor of Germany, clearly stated on 17 November last year that she is determined to bring back the European Constitution. If that is the case – I take Angela Merkel's statement at face value – why are we having another year's reflection or deflection? I have always maintained that the European Union is a national objective for Germany, because Germany wants a European Union that it can dominate through the voting system. That is Germany's national interest, but the European Constitution is most emphatically not in our national interest.

Those points are part and parcel of a bigger, broader and deeper political and historical debate about where Europe goes in the 21st Century. Ultimately, it will be a question of political will and realism – the realism is apparent from the various noises off, but the political will is not apparent. In his speech to the European Parliament a few months ago, the Prime Minister stated that he wanted to show leadership, but the reforms that he said that he sought have manifestly not been delivered.

As other hon. Members have said, an opportunity has been wasted. I accuse the government of shirking their duty and of cowardice on a massive scale. The hon. Member for Birmingham, Edgbaston (Ms Stuart) did not use the same language as me, but she has said that it is time to get rid of the idea of the European Constitution, which has failed and cannot sensibly be put back on the rails. It is not for us to go into the past – there are occasions when we must look at the development of those arguments over the past 20 years – because we need to live in the present. Whatever people's aspirations at the time of Maastricht, that was then and this is now, and this is not the time to hunt the snark without a compass. We need clear objectives. The British government, the new Foreign Secretary, the Prime Minister and the Minister for Europe, who is very experienced, need to start dishing it out to the other Member

States in tomorrow's meeting. They need to get a sense of realism out in the open and to exercise political will.

I have mentioned the vote by my hon. Friends in support of my Back Bench amendment to the Legislative and Regulatory Reform Bill, and I trust that the House of Lords will carry my amendment through. Front Benchers agreed to put in Whips as Tellers for my amendment, which was unusual, but nonetheless the amendment was an important statement of policy. I have suggested privately to some of my senior colleagues that it would not be a bad idea if they went out and told the rest of the world, which is why I wrote to *The Daily Telegraph* yesterday.

Alistair Burt (North-East Bedfordshire) (Con): The rest of the world?

Mr Cash: Well, *The Daily Telegraph*'s world, anyway. It was also published in *The Financial Times*, and I am pursuing several other avenues. I trust that my hon. Friend is not demurring from the principles that were enunciated by going through the Lobby on that occasion.

It is important that we come up with a design for a new Europe that is thought through, but not carried through unless serious discussions take place around the table. There will be no renegotiations or answers to these important questions unless there is a serious attempt to get down to sorting out what we want and where we are to go. Step 1 is to repudiate the European Constitution. I suggest to the Minister that in parliamentary terms, a good starting point would be to remove from the Order Paper the daily reference to the European Union Bill, because that reasserts the idea that that Bill, and therefore the implementation of the European Constitution, is still part and parcel of the business of this House. This is not some arcane constitutional point – it is about demonstrating political will. The hon. Member for Birmingham, Edgbaston and many other Members made it clear that it is time that we abandoned the project of the Constitution. Of course, I would say so, but it is interesting that it is coming from so many different quarters.

I greatly recommend a very good book called *Design for a New Europe* by Professor Jack Gillingham from the United States. It is an endorsement from the United States by somebody who has for the past 25 years made a careful study of the way that Europe has been going. I want to use this opportunity to give a flavour of what he has to say:

"*The EU was never democratic; it had always been a project run by an elite, which in turn justified its existence by results… To save the EU, one must rethink the whole integration process … the EU has long since broken down… The malfunctioning Brussels institutions are now out of control… What's required is less a heroic feat of engineering than a new principle of construction – democracy instead of elitism… A design for a new Europe is needed now.*"

As you know, Mr Deputy Speaker, I have said much the same myself over many years, as have many of my colleagues.

Alistair Burt: Constantly.

Mr Cash: I am grateful to my hon. Friend, who has not always agreed with me on these matters. I have been constant, but not in pursuit of any vainglorious aim. This issue is too big for anybody to attribute to themselves any particular prophetic ability. So many people said at the time that they were right and we were wrong, but through being very clear and consistent, things have ultimately moved increasingly in the right direction.

Mr Hoon: I cannot resist commenting on the hon. Gentleman's own consistency. He says that things are moving in the right direction. What is clearly moving his way is the entire bulk of the Conservative Party. In former days when we debated these issues, he was very much in a minority on the Conservative Benches – one of a handful of people. I will not use the expression that the former Prime Minister used to describe them, but it was not at all complimentary. Nowadays, Conservative Front Benchers support his position. He is in the mainstream of Conservative Party thinking, and I congratulate him on that.

Mr Cash: I accept that compliment. However, the essence of Conservatism is building organically upon change in a realistic, practical and pragmatic fashion. For example, Disraeli had to take a position on the policies of the mid-19th Century and he helped, with John Bright from the other side of the House, to promote democracy in the late 19th Century. Those who resisted that point of view 25 years earlier came around to it. The same applies to the appeasement policies of the 1930s, home rule and tariff reform. The bottom line is that we make changes and the European issue is an example of that.

I shall conclude with a quote from the excellent book that I cited earlier. It states:

"*Electorates must be made aware that withdrawal from the EU is not an act of aggression or a betrayal of the European Idea but a simple political and economic necessity.*"

I have never specifically advocated withdrawal. However, if the government, leaders of other Member States and the European Commission are not prepared to face up to the challenge of being realistic, exercising the political will to save Europe and sorting out the boundaries between co-operation and European Government – and to do something about it tomorrow, when the summit takes place, thus changing the nature of the European Union, they will betray Europe and this country.

The government have an opportunity to save the democracy and ensure that we move into the 21st Century with economic competitiveness to answer the challenges of the new globalised world. The failure of the Lisbon Agenda gives them a reason to do so. Otherwise, they merely whistle in the wind. It is the moment of truth. They can do it. I do not believe that they will but, when they fail, it will be their responsibility and the people of this country will turn against them and turn them out of office. Just as those in favour of the Constitution failed in France and Holland, so the government would have failed in this country had the question of the future of Europe been put in a referendum, as it should have been many years ago.

Gisela Stuart MP on the Government

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I should like to leave a thought about the period of reflection with the Foreign Secretary. We have all seen the poster that says, "*Sometimes I sits and thinks and sometimes I just sits.*" I am not entirely sure what the British Government are doing, but there comes a time when one just looks stupid doing so.

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Letter to *The Financial Times,* 24 May 2006

Sir,

Your report, "Germany's best kept secret" (May 19), asks several questions and poses several answers but omits one crucial element – the continuing drag on her economy of European over-regulation and the social agenda.

This is a prime reason why *"nobody is hiring anybody"* and *"among the low skilled, long-term joblessness is now endemic"*, as you report. This will continue so long as Angela Merkel, the German Chancellor, is locked into her coalition with the Social Democrats and until Germany unlocks the stifling and inflexible burdens on business that come from European regulation.

The Conservative Party as a whole last week voted to support my backbench amendment to the Legislative and Regulatory Reform Bill, expressly to override the European Communities Act 1972 by providing the legislative means to deregulate European burdens on British business and make this binding on the British judiciary. The bill has now gone to the House of Lords.

The Labour government refused to accept this amendment, although the worst burdens on business come from European legislation. Where countries such as Germany refuse to legislate unilaterally to repeal European legislation (when negotiations fail), their companies will simply continue to invest abroad to avoid the costs of the social agenda.

This, as you report, will be through their foreign subsidiaries and high unemployment at home will continue.

The German Christian Democrats would do well to emulate the British Conservative vote last week. Unfortunately, by locking themselves into a coalition with the Social Democrats and pursuing the policies of the European People's Party the CDU demonstrates its refusal to override EU burdens on business with damaging consequences for German, European and global trade.

Bill Cash, MP
Conservative MP for Stone

Letter to *The Daily Telegraph, 13 June 2006*

Sir,

William Hague (News, June 8), in his speech on the future of Europe, said: "*We should reassert national control over social and employment legislation.*" But his speech does not spell out the means of reasserting this national control.

Clearly, negotiations to resolve these questions would be a first step, but the evidence from the failure of the Lisbon Agenda and the pathetic attempts to remove the European legislative burdens on business are self-evident.

More than 130 Tories two weeks ago backed my backbench amendment to the Legislative and Regulatory Reform Bill by insisting that European legislative burdens on business should be removed as necessary by unilateral legislation at Westminster 'notwithstanding the European Communities Act 1972.'

This should be applied to both social and employment legislation and the Common Agricultural and Fisheries policies, among many others.

William Cash, MP
House of Commons

Legal Digest

Future of Europe

Over 200 members of the EU's national Parliaments and Parliaments of accession and candidate states participated in a Parliamentary Meeting on the Future of Europe, organised jointly by the EP and the Austrian Parliament on 8-9 May. The meeting was principally intended as a parliamentary contribution to the 'period of reflection' on the future of Europe, due to conclude at the European Council on 15-16 June, but likely to be extended for a further year as the EU's heads of state and government consider whether and how to proceed with institutional reform.

The meeting was considerably less ambitious than it was planned to be by the EP's January 2006 resolution, which envisaged a series of 'parliamentary forums' to produce resolutions for the European Council to consider. The speakers of the elected chambers of the Parliaments of the past, present and future presidencies (Austria, Finland and Germany) opposed this structure, which would have given the EP the upper hand in determining the direction of the process and its conclusions. Instead, it was agreed to hold a one-off meeting, with no formal conclusions to be forwarded to the European Council.

The Meeting had four working groups:

1 The EU in the world and the borders of the Union

2 Globalisation and the European social and economic model

3 What are the prospects for the area of freedom, security and justice?

4 The future financial resources of the Union

Lord Grenfell produced a report summarising the debate and discussion in Group 4. Issues that produced general agreement in this Group were that the current system of financing the Union must be changed, especially horse trading over the size of the budget and the lack of transparency, and that any new system must be understandable and justifiable to electorates.

Many members of the Group felt that the agreement for 2007-13 was a missed opportunity to address some of the fundamental issues surrounding the budget. It was felt that the 2008-09 budget review process must be wide ranging and comprehensive, ensuring that it can accommodate further enlargement and that it serves a common, European good as opposed to purely national interests.

There was considerable difference of opinion on taxation. There were calls for some form of EU tax as a step towards financial autonomy, including proposals for a tax on energy, aviation, financial transactions and VAT. A common corporate tax was also suggested. The general view, however, was that there were too many political obstacles to tax-based, EU financial autonomy to make it a reality.

Commission Communication: *Citizen's Agenda*

The Commission's recent communication, *Citizen's Agenda*, seeks to open a new front on the European debate. It suggests the European Council set out a stepwise approach which will lead to a future institutional settlement, the first step being a *"political declaration"* on the 50th anniversary of the Treaty of Rome in 2007, by the Council, Commission and EP, *"which not only sets out Europe's values and ambitions, but also contains a shared undertaking to deliver them."*

Key proposals from the *Agenda* include:

- A commitment to removing remaining barriers to the Single Market, on the basis of a fundamental review and report to be presented in 2007;
- A review of the *"reality of European society,"* to be undertaken in parallel with the Single Market review, leading to the launch of *"an agenda for access and solidarity"* in 2007;
- A feasibility study for a *"European entitlement card"* to enable citizens to *"be aware of and enjoy full access to their existing rights"*;
- An initiative to activate the Passerelle Clause in Article 42 TEU *"to improve decision taking and accountability in areas such as police and judicial cooperation"*;
- A further report on the EU's enlargement strategy by the end of 2006;
- A commitment to transmitting *"all new proposals and consultation papers"* directly to national parliaments, with an invitation to react *"so as to improve the process of policy formulation."*

The Commission has so far avoided making a call for the revival of the Constitutional Treaty. On 9 May, however, the Estonian Parliament passed a Bill to ratify it. On 12 May, the Finnish Parliament endorsed a report by its Foreign Affairs Committee calling for a ratification Bill to be brought in. The Finnish government has indicated that a Bill is likely to be introduced after the summer break, although the President has questioned whether it is wise to proceed to ratification at this stage.

Meanwhile, the Belgian government remains unable to ratify the Treaty as the government of the Flemish region is withholding its assent due to a dispute with the federal government over how the subsidiarity early-warning system foreseen by the Treaty will function in the context of Belgium's federal system.

Presidency and Commission propose activating Passerelle Clause

The Finnish presidency of the EU has indicated that it will seek to activate the Passerelle Clause in the Maastricht Treaty, to allow common action on police and judicial cooperation in criminal matters (Title IV), on the basis of co-decision with the EP and QMV. These matters would then be moved from the third to the first pillar and would be treated as falling under Title IV TEC. An unnamed UK official said that this was *"a concept in which we are interested and there could be some advantages."*

Commission President Barroso also indicated, in a speech on 8 May, that the Commission would soon bring forward its own proposal for a Council Decision to activate the Passerelle, citing the *"citizens' wish"* for closer cross-border co-operation in criminal justice matters. The UK government will not make any commitment on this subject until it has seen details of the proposals, which are bound to have substantial implications for UK criminal law, not least in terms of the roles the Commission and ECJ would acquire in the field. Also, the Passerelle Clause in the Maastricht Treaty leaves open the form of majority voting which would apply in Council. Any measure would require primary UK legislation for its implementation.

EP hears from the Austrian Presidency on the Prüm Convention

The Prüm Convention started in 2003 as a pilot scheme between the Schengen Member States to develop further initiatives in police

co-operation, taking Schengen as a model. When France dropped out of the talks in 2004, Austria stepped in as a replacement. France later returned and Spain joined in too before agreement was reached on the basis of existing EU legislation to allow further administrative co-operation between the signatory states.

The main innovations in the Convention were: to permit direct access to partner database systems; to move police co-operation beyond existing bilateral agreements; and to share DNA profiles and fingerprinting data. The text of the Convention made clear that the co-operation it provided for was without prejudice to EU law and that it would be open to any EU Member State to join.

Work has already started on compliance of computer systems and Austria reported that it has already ratified the Convention. Spain and Germany were expected to follow shortly: the Convention will enter into force 90 days after two Member States have ratified it.

The Committee members who spoke were split between those who opposed the Convention because it was outside EU mechanisms and those who saw it as being advantageous. Baroness Ludford remarked that the means by which the Convention had been agreed did not accord with the criteria for enhanced co-operation provided for by Treaty, that it undermined EU co-operation on security, challenged the coherence of EU legislation and went against the principles of transparency and accountability. She saw the Convention as a back door to developing EU legislation, with the aim having been to circumvent opposition in the Council, to present opposing Member States with a *fait accompli,* and to marginalise and exclude the EP.

Mr Hager, presenting on behalf of the Austrian presidency, confirmed that the Convention had been a test conducted by a group of Member States, outside the enhanced co-operation procedure, which was negotiated as a result of frustration with the requirement of unanimity for co-operation under the third pillar.

Fundamental Rights Agency Proposals

On 4 May, Lord Norton of Louth came before the EP Civil Liberties Committee to present the final report of the House of Lords' EU Committee on the proposed Fundamental Rights Agency. The Committee had concluded that the Agency could improve protection of fundamental rights in the EU provided it added real value to the existing framework of human rights protection; it should be more than a 'postbox' for collecting and sorting data. The Committee was in favour of the Agency having the power to seek specific information from EU institutions and Member States and to probe them for information where it was not forthcoming. It was also in favour of the Agency being given a legislative scrutiny role and having a third pillar remit, since third pillar matters often engaged fundamental rights.

Kinga Gál (EPP-ED Hungary) provided an update on the negotiations between the EP, Commission and Council. Sticking points included the EP's desire to have a role in appointing the Agency's Director and its insistence that it have a role in approving the latter's multi-annual programme. The Council, however, wanted control of the programme. Some in the Council (especially Germany, Slovakia and the UK) opposed the idea that the Agency should have a remit to examine third pillar issues and there were serious difficulties on that score, particularly as the Commission saw it as essential that the Agency should enjoy such a remit. It was nevertheless anticipated that the EP would be able to adopt a position on the Agency in July 2006.

Michel Forst, on behalf of the European Network of National Institutions for the Promotion and Protection of Human Rights, said that the Agency should have four main tasks: a legislative scrutiny role; scrutiny of respect for fundamental rights in the Member States (including under the third pillar); that it should examine commitments made by candidate countries; and look at human rights clauses in co-operation agreements between the EU and third countries.

The Commission representative, Alain Brun, indicated that the Commission would present a Recommendation to the Council for permission to prepare a bilateral agreement with the Council of Europe.

Constitutional Affairs Committee Discusses Subsidiarity Work in COSAC

An exchange of views on 2 May between the EP's Constitutional Affairs Committee and Edward McMillan–Scott (EPP-ED, UK), the leader of recent EP delegations to Conference of Community and European Affairs Committees of Parliaments of the European Union (COSAC), on recent developments in COSAC, revealed sensitivity, even hostility, towards the notion of subsidiarity among some MEPs.

McMillan–Scott stressed that scrutiny of subsidiarity remained a task for each national Parliament, not a task for COSAC to undertake collectively. Committee members were concerned with COSAC's decision to encourage national Parliaments to examine specific Commission proposals for subsidiarity and proportionality, which reinforced conference-based efforts by the Dutch, British and Austrian presidencies to entrench a culture of subsidiarity. Whilst COSAC is clear that its subsidiarity monitoring exercise is founded on the existing Treaties, many MEPs see the exercise as an attempt to 'cherry-pick' the early warning mechanism in the Constitutional Treaty and upset what they perceive as its carefully-crafted institutional balance.

Remarks included pointing out that subsidiarity did not just mean that decisions should be taken as close to the citizen as possible; it was also meant to guarantee efficiency in decision-making. Also, that the Amsterdam Treaty gave national Parliaments no legal basis to examine Commission proposals for subsidiarity and that the Treaty's subsidiarity early-warning mechanism clashed with the principles of 'the Community method' of EU decision-making, whereby the EU's institutions ought to be able to decide on issues within their competence without external interference.

The EPP-ED Group believed that national Parliaments could not get involved in subsidiarity without the Constitutional Treaty being in force, and it would not support French proposals for an inter-institutional agreement on subsidiarity principles. Johannes Voggenhuber (Greens/EFA, Austria) even said he smelled an intergovernmental plot to destabilise the democratic development of the EU.

The UEN Group's joint leader Brian Crowley (Ireland), however, thought it wrong for the EP to send such an arrogant message to national Parliaments and averred that subsidiarity concerns were only being raised because many citizens feared that important decisions were being taken over their heads. COSAC played a vital role in this area, he said.

Dirk van Heck is a barrister and former Head of Research at the European Foundation.

The Relentless March

*Since the end of the Second World War, the European Union and its predecessors, have, to the detriment of the national sovereignty of its Member States, been mapping out the road to a federalist, politically integrated organisation. Here is a look back at some of the major events that occurred during the month of **July** over the past 60 years.*

1952 The ECSC enters into force and Luxembourg is chosen as its headquarters.

1958 A conference in Stresa lays down the basis of the CAP.

1959 Seven countries from the Organisation for European Economic Co-operation (OEEC) – Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom decide to establish a European Free Trade Association.

1961 At a European summit meeting in Bonn, the founding Member States voice their wish to set up a political union.

1961 Ireland formally applies to join the EC.

1964 *Costa v. Enel ruling*: the ECJ holds that Community law overrules national law.

1965 The Empty Chair Crisis begins when France breaks off the negotiations on financing the CAP and recalls its Permanent Representative, refusing to take part in Council or Permanent Representative Committee meetings.

1967 The Merger Treaty, fusing the Executives of the European Communities (ECSC, EEC, Euratom), enters into force. The EC now has a single Commission and a single Council.

1968 The Customs Union is completed; all internal customs duties and quotas are removed and the common external tariff is established.

1975 The Treaty Amending Certain Financial Provisions of the Treaties is signed, strengthening the EP's budgetary powers and establishing a Court of Auditors.

1976 The European Council agrees on the number and distribution of seats in the EP, which is to be elected by direct universal suffrage in 1979.

1977 Spain formally applies to join the EC.

1978 A European Council reaches an agreement on a common strategy to achieve a higher rate of economic growth in order to reduce unemployment and plans to set up a European Monetary System.

1979 The Commission transmits to the Council a Directive on the right of Member States' nationals to reside permanently in the territory of another Member State.

1985 The Council approves plans to make amendments to the European Economic Community Treaty and to draft a common foreign and security policy treaty

1987 The Single European Act enters into force after several months of delay, due to ratification problems in Ireland.

1989 Austria formally applies to join the EC.

1990 The first phase of EMU comes into force. Four Member States – Spain, Portugal, Greece and Ireland – are granted an exceptional regime given their insufficient progress towards financial integration.

1990 Cyprus and Malta formally apply to join the EC.

1991 Sweden formally applies to join the EC.

1991 *Stoeckel ruling*: the ECJ decrees that the dispositions of the French labour legislation forbidding women to work during the night in the industry sector is contrary to the equality of treatment between women and men with regard to access to employment.

1994 Free trade agreements are signed with Estonia, Latvia and Lithuania.

1997 The Commission presents *Agenda 2000 - for a stronger and wider Europe,* its opinions on the applications of 10 Central and Eastern European countries, and how EU policies – notably the CAP – should be reformed.

1998 The Commission adopts a White Paper on the Community approach to transport infrastructure charging communication on measures to counter counterfeiting of the euro.

The Court of Auditors publishes the special report concerning the Commission departments specifically involved in the fight against fraud, notably the Unit for the Coordination of Fraud Prevention.

1999 Economic and Social Committee hold their first Convention on the 'Role and Contribution of organised Civil Society in European Integration'.

In accordance with the conclusions of the Vienna European Council, a meeting of the foreign ministers of the 15 EU Member States, the 10 candidate Central and East European countries, Cyprus, Malta and Switzerland (Turkey declines to attend) takes place in Brussels. The meeting focuses on the fight against transnational organised crime and the situation in the western Balkans.

2000 The 9th EU-Japan Summit is held in Tokyo. Discussions centre on the strengthening of overall Japan-EU relations, including economic and trade relations, Japan-EU co-operation in international fora, the United Nations and ASEM, and the international situation.

2002 The Treaty establishing the ECSC expires after fifty years in force.

2003 A European Council, held in Thessaloniki, welcomes the draft EU Constitution as a good basis for forthcoming negotiations on the future of Europe.

2003 A EU-US Summit is held in Washington, DC, where it is decided the two will cooperate in their fight against terrorism and arms proliferation.

2004 The European Parliament approves the appointment of José Manuel Barroso as the new President of the European Commission.

2005 Luxembourg voters vote 'Yes' to ratification of the European Constitutional Treaty.

Second meeting of the Stabilisation and Association Council between the EU and the former Yugoslav Republic of Macedonia takes place in Brussels

Intelligence Digest

by John Laughland

EU tries to salvage Constitution

According to the old theory that the European Union is a like a bicycle which has to keep advancing or else it will fall over (a metaphor borrowed from Che Guevara who said the same thing about 'the revolution'), EU leaders have been faced with the prospect of the collapse of the EU project following the rejection of the European Constitution. Naturally, they have been doing everything to try to get things going again. Having paused for a so-called 'period of reflection', EU heads of government have been contemplating their next steps. At a recent meeting in Brussels, they decided that by the time of the French presidency in the second half of 2008, there should be agreement on a text which will lay down the terms of the EU's action and 'democratic legitimacy', i.e. a new Constitution. In other words, they have decided to start all over again, and do pretty much what they did in 2004 when they signed the now defunct EU constitution in Rome. The new timetable is as follows. During the German presidency in the first half of 2007, there is to be a 'Berlin declaration' on the occasion of the 50th anniversary of the signature of the original Treaty of Rome. It is to contain a commitment to the various values and powers of the EU. The idea is to do something similar to the 'Declaration of Messina' which set the whole EEC in motion half a century ago. Many EU states want to renationalise policies but some are still battling for full-blown federalism. Belgian Prime Minister Guy Verhofstadt, for instance, is still going on about 'a United States of Europe'.

Three months after the 'Berlin declaration' and after the election of a new French President, the German Chancellor, Angela Merkel, is to step up the tempo and lay out 'possible future developments' in a text. This is to happen by June 2007. Whether the next text is to be called 'a Constitution' remains a moot point: the Dutch, for instance, are against it since the Constitution was rejected by the Netherlands in a referendum last year. According to experience, it takes about eighteen months between the adoption of a text and ratification. The idea, therefore, is that if the new text is to be ready by the time of the European elections in 2009, or by the time the new Commission is appointed in November of that year, then it would have to be signed at the latest during the Slovene presidency in the spring of 2008. The strategy adopted in Brussels is therefore the one adopted for all the previous big Treaty revisions, from the ratification of the Single European Act in 1986 to the completion of the Single Market and the signature of the Maastricht Treaty in 1992. On the other hand, there is little clear idea yet of just what content the new Treaty will have. The Austrian government is saying that the best strategy would be to have some concrete achievements on growth and employment before trying to convince the public to vote for a new treaty structure in the EU.

It is clear that Germany is to play what the German press calls 'the key role' in these developments, with Merkel therefore taking the lead in Europe. The Christian Democrats will be campaigning with both an anti- and pro-European message, profiling themselves as the champions of less bureaucracy but more European integration. In other words, they will use slogans like 'Europe must be closer to its citizens' and at the same time work for more centralisation of power in Brussels. Merkel does not hesitate to use the word 'Constitution' for the new text, saying things like, "*We need this Europe and for that we need a new constitutional treaty.*" [*Frankfurter Allgemeine Zeitung*, 16 June 2006]

EU–US relations

President Bush attended the EU summit in Vienna at a time when there are various tensions in trans-Atlantic relations. This is the first visit of an American President to Austria in 27 years and the Austrian authorities have mobilised thousands of security forces. The EU asked Bush to close the prison camp at Guantánamo Bay in Cuba, where most inmates have been incarcerated for four and a half years now, but on Iran and the Middle East the Europeans vowed to work together with the Americans. The Europeans also believe that they have made the Americans shift their position on climate change. Indeed, the EU side is very keen to show that relations have improved since the Iraq war in 2003: Bush had pronounced the dispute over Iraq at an end when he visited Brussels in February 2005. Energy supplies were also a subject of discussion between the two sides: both the EU and the US are importers of energy from the Middle East, Russia and Africa, as are their great geopolitical rivals in the Far East, India and China. The two sides also discussed trade issues. [*Die Welt*, 21 June 2006]

There is general agreement, indeed, that relations between the EU and the US have improved since Iraq. The President of the European Commission, José Manuel Barroso, has said, *"Our relations have strengthened considerably since 2005. Today we are working systematically in concert to meet economic, political and environmental challenges."* [*Le Monde*, 21 June 2006]

European Commission wants more transparency

The European Commission wants to force Member States who receive money from the structural funds to publish the fact more clearly. The idea is that information about who receives the money would be published electronically and sent to the Commission in Brussels. The names of participants in projects financed by the European social funds, with which the Member States can finance training programmes for people out of work, would be excluded from this, however. In future, recipients of EU funds would have to give their consent for their data to be published in order to be able to receive the money. The structural funds represent about one-third of the European budget. Following the budget agreement for 2007-2013, they will amount to €308 billion over that period. Total EU spending in the period will be €864.4 billion. The EU also wants the distribution of Common Agricultural Policy money to be published as well. Some countries do this already (including Denmark and Britain) but others, like Germany, say that there are data protection issues which prevent them from doing so. The Germans are therefore opposing these proposals, saying that the Commission cannot say that it is trying to reduce bureaucracy and yet at the same time make new administrative demands. [*Frankfurter Allgemeine Zeitung*, 19 June 2006]

Last of the summer wine

The European Commission wants to engineer a dramatic reduction in wine production. It also wants to make ordinary table wine more attractive for the consumer. Overproduction in the EU is to be cut and the crisis faced by producers of average wines thus tackled. The agriculture commissar, Mariann Fischer Boel, a Dane, wants to close down 400,000 out of the 3.4 million hectares of vineyards in the EU. Winegrowers are of course to be paid off for this – at a total cost of €2.4 billion. The current annual EU spending on wine subsidy is €1.4 billion. The largest wine prodwucing countries are naturally against the plan. France, Italy, Spain and Portugal made their opposition to the plan

known before it was even published. They fear that their most traditional agricultural landscapes will be destroyed by it. Experts sitting in Brussels know better, however. They claim that it is only by reducing the vineyards that overproduction can be stopped. That 'overproduction' is about 12 per cent of total production, or 22 million hectolitres a year, and rising. Excess wine has in the past been converted into high strength alcohol but the Commission wants to put a stop to this practice. The Commission also wants table wine to have the year and grape variety put on the label. This is intended to make ordinary wines more competitive with wines from the New World. Australia and Chile have increased their wine exports in the last ten years by a factor of 20. [Helmut Hauschild, *Handelsblatt*, 21 June 2006]

The Balkanisation of the Balkans

The European Union states have been quick to welcome the result of the referendum in Montenegro, which has now been recognised as a sovereign state by the major powers. (EU recognition came on 12 June 2006, the proclamation of independence having occurred on 3 June.) Montenegro's 'path to Europe' is now ensured and the latest stage in the dismemberment of Yugoslavia now in the bag. Kosovo will not be far behind, since the 'international community' seems happy to work for its 'independence' too even though, like Montenegro, the territory and population in question is about that of an English county. However, the same welcome for Balkanisation is not being extended to the Serbs in Bosnia who have lived in their own 'Serb Republic', a constituent part of Bosnia-Herzegovina since the Dayton peace accords in 1995. Following the Montenegrin vote, the Bosnian Serbs proposed holding their own referendum on secession from Bosnia-Herzegovina, a state they have never wanted to live in. EU officials immediately and firmly rejected the plan. *"Holding a referendum in Bosnia is not a good idea, and it is not a welcome idea,"* said Ollie Rehn, the EU Commissar for enlargement. However, pro-independence politicians in Republika Srpska remained defiant. *"The will of the citizens cannot be ignored,"* said the President of the Serb National Party Dane Cankovic. *"The Serb people want a free Republika Srpska, separated from an imposed Bosnia-Herzegovina. Bosnia-Herzegovina has become a tyrant that is stifling the will and wishes of Serbs to live in a free and democratic RS."* He added that such a referendum would be the first step toward Serb unity, which presumably means he would want Republika Srpska to be joined to Serbia itself. The Prime Minister of Republika Srpska, Milorad Dodik, said that the Montenegrin vote should provide the basis for the settlement of the final status of Kosovo, i.e. that that province should become independent as well, and that all the peoples in the region should be allowed to decide on their fate in the same way. The international community's High Representative in Bosnia (i.e. of the official who actually runs the country), Christian Schwarz-Schilling, said that no parallels could be drawn between Montenegro and Republika Srpska because RS had not existed before the Dayton agreement which ended the 1992-1995 Bosnian civil war. *"The international community will not allow the sovereignty and territorial integrity of Bosnia and Herzegovina to be endangered."* The international community took the same attitude towards the Bosnian Croats: when they tried to set up their own autonomy in 2001, their leader, Ante Jelavic, was jailed for violating the Constitution. He fled to Croatia to escape a ten year sentence for economic crimes related to the declaration of independence and there is now a protracted legal battle between Croatia and Bosnia-Herzegovina over his extradition.

The Balkanisation of Spain

Catalan voters have approved by 73 per cent a new autonomy status in a referendum held on 18 June. Turnout was very low at 50 per cent. The new status gives the Catalan autonomous region new powers over tax and new administrative powers. An earlier version of the text was heavily watered down by the Spanish Parliament and the reference to Catalonia as 'a nation' was removed. The new autonomy was fought for by the Catalan socialists and opposed by the biggest opposition party, the conservative Popular Party. The President of Catalonia, Pasqual Maragall, said that the victory in the referendum was the most important day since the 'Constitution' of Catalonia was voted in 1978. The socialists are, however, also opposed by Catalan nationalists who called on their supporters to vote against the text because it did not recognise Catalonia as a nation, and because it does not give the region complete autonomy over taxes and ports and airports.

The Balkanisation of Belgium

The Flemish nationalist party, Vlaams Belang (which used to be called the Vlaamsblok until the party was banned in 2004), has consolidated its position as the largest party in Belgium. Opinion polls give it 26.6 per cent of the vote. Local elections are to be held in October. In Wallonia, the National Front is also growing, currently standing at 10 per cent in the polls. In 2003, when they were still called the Vlaamsblok, the Flemish Nationalists won 17.9 per cent of the national vote; they won 24 per cent at the parliamentary elections in 2004. The Vlaams Belang campaigns against immigration and for the independence of Flanders, and is therefore habitually referred to as 'extreme right'. Its appeal is largely due to the tensions within Belgium between rich Flanders and poor Wallonia, but also to huge disenchantment with the established Belgian political class. Recent scandals involving the French-speaking Socialists have only strengthened the Flemings' belief that they would be better off if the country was split up and if they were able to stop paying for the corrupt and poor Walloons. [*Le Monde*, 21 June 2006]

Kosovo 'independence' on the way

There seems little doubt that Kosovo is to be allowed to break away from Serbia and become an 'independent' state (in reality, absorbed into the EU and NATO). The outgoing UN administrator of Kosovo, Soren Jessen-Petersen, said in an interview with the Kosovo newspaper, Koha Ditore, that the province will one day win its 'independence'. *"It is clear that Kosovo's dream –and we all know what the dream of Kosovo is: it is independence – will become a reality,"* he said. *"I don't think that the region will be normalized until Kosovo's status is resolved. I still believe that stability in the region needs what I call the last piece in the puzzle to become complete – the solution of the status."* Kosovo Serbs protested that this, like other declarations by Jessen-Petersen, show that he is not committed to the neutrality which his job requires but that instead he sides with the Kosovo Albanians. In the same interview, Jessen-Petersen exhorted Serbia to get used to the idea of losing part of its historic territory. *"Now is the time for Serbia to start thinking of moving forward, starting social and economic reforms, so much needed for itself and the region. I know it will seem very difficult [for Serbia] in the short term, but we need to see Kosovo's status solved this year so that the entire region can move forward at last,"* he added.

In a similar vein, the UN Secretary-General, Kofi Annan, and Martti Ahtisaari, the UN chief envoy for talks on Kosovo's final status, both told the Serbs to be more flexible, i.e. to acquiesce in losing Kosovo. Annan also attacked the Kosovo Serbs for boycotting the political institutions of the province, which they have done since March following a series of murderous attacks on Serbs by Albanians. *"Remaining outside the institutions will not bring their communities any benefit, and in fact negatively affects their ability to bring meaningful improvements into the lives of their communities,"* Annan said. When Albanians boycotted the

political institutions of Kosovo during the 1990s, they were generally applauded for so doing by the international community. [*Radio Free Europe,* 13 June 2006]

Jessen-Petersen gave his interview shortly after announcing his premature resignation from the job 'for family reasons'. He took the job in August 2004, a few months after the March 2004 pogrom in which nineteen Serbs were murdered and various Serb monuments (including monasteries and churches) were burned to the ground. Jessen-Petersen sided unambiguously with the Albanians, even calling the former Prime Minister of Kosovo, Ramush Haradinaj, 'a partner and a friend' and campaigning for his release from The Hague where he was incarcerated briefly in 2005 following his indictment for various atrocities committed while a Kosovo Liberation Army commander. The Chief Prosecutor at the International Criminal Tribunal for the former Yugoslavia, Carla del Ponte, had attacked the UN administration in Kosovo for fostering a climate in which witnesses felt they could not testify at The Hague. She also said that the administration was preventing her office from obtaining access to certain documentation. Human Rights Watch had also attacked Jessen-Petersen's administration for complete failure to investigate the March 2004 pogrom or to prosecute people for it. There have also been allegations of corruption in the management of the airport at Priština. [Stefanie Bolzen, *Die Welt*, 13 June 2006]

As independence for Kosovo looms – and as Agim Ceku, the former Kosovo Liberation Army commander who is now the Prime Minister of Kosovo, visits Condoleezza Rice in Washington –the Serb Orthodox bishop of Raška and Prizren, Bishop Artemije, has accused Albanian extremists of wanting to eradicate all traces of Serb culture from Kosovo. He accused thieves of stealing four gold crosses from the domes of the Holy Virgin Church in Obilic and of also stealing parts of the church's roof, windows and doors. The bishop said, *"Since KFOR troops* [NATO-led peacekeepers] *arrived in Kosovo in 1999, 150 Orthodox temples have been vandalised or demolished by Kosovo Albanians. The fate of Serbian heritage in Kosovo is very much under threat."* [*Radio Free Europe Newsline*, 20 June 2006]

Croatia's hopes raised

The enlargement Commissar, Olli Rehn, has raised Croatia's expectations of being able to join the EU by 2009. He said, *"If the negotiations go well and if Croatia pursues its policy of reform, then the negotiation process could be completed by the end of the decade."* He said that this was an ambitious date but the candidate states often needed such encouragement. *"The important thing for us is that the reforms are going ahead,"* Rehn said (without saying exactly what 'reforms' he meant). The EU also hopes to have a new Constitution in place by 2009, which the EU will doubtless present as being a necessary requirement for further enlargement, just at it did for the Nice Treaty. The Croat Foreign Minister said that her government would implement *"all the necessary reforms"* including changes to the justice system and the right of return for refugees (mainly Serbs). [*Die Welt*, 14 June 2006]

ICTY withdraws indictments against Croat journalists

The Chief Prosecutor of the International Criminal Tribunal for the former Yugoslavia, Carla del Ponte, has withdrawn indictments issued earlier against five Croatian journalists, including the former editor of the prestigious national daily, *Slobodna Dalmacija*, for contempt of court. At various times the five journalists had revealed the identity of a 'protected witness' who had given evidence at the trial of a Bosnian Croat general in 1998. The secret witness, whose testimony was also kept secret, was in fact the President of Croatia, Stijepan Mesic. Although Mesic's identity had earlier been published by media outlets which are broadly supportive of the ICTY, and indeed although it was possible to work out his identity from documents published by the ICTY itself, the five indictees, who were prosecuted last year, are all critics of the Tribunal. Del Ponte said that she was withdrawing the indictments *"in the interests of judicial economy,"* i.e. because the ICTY has too many trials to conduct and needs to cease its operations in the next few years, said in her application to withdraw the indictments that she remained convinced of the 'full criminality' of the persons she wanted to prosecute. [15 June 2006]

Albania signs pre-membership pact with EU.

The Prime Minister of Albania, Sali Berisha, and the EU Commissar for enlargement, signed a Stabilisation and Association Agreement on 12 June 2006 which represents Albania's first step towards EU membership. The Commissar stressed how difficult it would be for Albania to meet the standards required for EU membership; Berisha said the signature of the agreement was *"a historic landmark towards the fulfilment of Albania's dream to return and reunite with the European family."* [*Radio Free Europe Newsline*, 13 June 2006]

Hungary wants to adopt euro in 2010

Flush from his re-election victory, the Hungarian Prime Minister, Ferenc Gyurcsany, has announced a radical programme of economic 'reform' in order to make his country qualify for eurozone membership in 2010. The main goal of these 'reforms' is to get the budget deficit down by slashing spending and raising taxes. The deficit currently stands at 8 per cent of GDP and needs to come down to 3 per cent if Hungary is to have a chance of joining. Sounding rather like the Romanian dictator, Nicolae Çeausescu who plunged his country into misery when he resolved to repay the country's entire national debt, Gyurcsany said, *"During the first hundred days of my second term in office I will introduce more than one hundred new measures. It is the most intense period of reforms since the democratic transition [in 1989]."* The government is to sack 23 per cent of its officials, some 12,500 jobs by 2008, and buildings are to be sold off in the centre of Budapest. VAT will be raised from 15 to 20 per cent and it will be payable on a whole series of new products (like butter and bananas). The prices of electricity, gas, tobacco and alcohol will also rise. There will be a new 'solidarity tax' on companies which will be introduced in September, as on individuals earning over €24,000 a year. [Anne Rodier, *Le Monde,* 13 June 2006] It has already been confirmed that Slovenia will adopt the euro in January 2007, the first new Member State to do so.

Romania and Bulgaria likely to join in 2007

The concluding statement of the European summit makes it clear that the EU expects Romania and Bulgaria to become Member States in 2007, in spite of continuing doubts, expressed in a Commission report in May, about these countries' capacity to fight against corruption. [*Frankfurter Allgemeine Zeitung*, 15 June 2006]

It is a bit rich for the EU to attack these two countries for corruption when Brussels funds so much of it anyway. The EU Court of Auditors has just issued a report detailing the various bogus projects and scams which EU money has been wasted on in those countries, including a €3.1 million bridge between Romania and Moldova which had no access road on the Moldovan side when completed and a computer system for the Bulgarian prosecutor's office which cost €1.8 million and of which 37 work stations were never used but kept in a store room. Total PHARE spending amounts to €511 million for Bulgaria and €1.4 billion for Romania. [Mark Beunderman, *EU Observer*, 21 June 2006]

Sand in the works for Turkish accession

General elections in Cyprus have reinforced the hand of the Greek Cypriot President, Tassos Papadopoulos, who is himself a strong

opponent of Turkish accession to the European Union. Papadopoulos' party, Diko, which led the victorious 'No' campaign against the Annan plan on the reunification of Cyprus in April 2004, emerged strengthened from the poll, the first election since Cyprus joined the EU in May 2004. The largest single political party remains the Communist Party, Akel, but it lost 3.7 per cent of its votes compared to the last election while Diko won 3.1 per cent more than in 2001. [Henri de Bresson, *Le Monde*, 23 May 2006]

The new hard line from Nicosia has had an immediate effect on the climate of negotiations with Turkey. Ankara has been dragging its feet on signing an agreement to extend its customs union with the EU to the ten new Member States, i.e. including Cyprus, and this is widely seen as implying *de facto* recognition of Cyprus. EU officials have told the Turks that they have to sign it or else the whole accession deal is off. The negotiations with Ankara got under way formally on 12 June in Luxembourg, following the agreement on 3 October 2005 that they should finally open. The first of the 35 'chapters' of the agreement was signed, on science and technology, on which Turkey is now judged to meet EU legislation and standards. However, this symbolic first step was immediately counteracted by threats issued by the enlargement Commissar, Olli Rehn, that Ankara would have to open its ports to Greek Cypriot trade by the end of 2006, or else face an interruption in the negotiations. Rehn said explicitly that there would be no progress on other matters if there was not progress on this. [Thomas Ferenczi & Sophie Shihab, *Le Monde*, 14 June 2006]

Piglet banned

State television in Turkey has banned a cartoon version of Winnie the Pooh because the depiction of Piglet is said to be offensive to Muslims. According to reports in the Turkish press, the original idea was to broadcast the cartoon but to leave out the scenes containing the impure animal. However, it was later realised that this was effectively impossible since he appears in so many scenes not only with Winnie but also with Eeyore and Tigger. The ban is said to be evidence of the increasing influence of the Islamist government in Ankara on the programming policies of Turkish TV. [*La Repubblica*, 20 June 2006]

Schröder lobbies for Kremlin

The former German Chancellor, Gerhard Schröder, has taken the Russian side in the dispute between Russia and the EU over energy. *"Europe should allow Russian companies in Europe the same rights as European companies enjoy in Russia,"* he said, speaking at an investors' conference in Moscow. Schröder, who is chairman of the consortium building the trans-Baltic pipeline, also said that the calls in the EU to end Europe's dependence on Russian energy supplies were 'quite mistaken'. In recent months, the Russian energy giant, Gazprom, has complained that the EU is preventing it from making acquisitions in Europe. Schröder dismissed the idea that it was better for Europe to buy its energy in the Middle East or in Africa, saying that Russia was a much more reliable supplier than those countries. [*Handelsblatt*, 19 June 2006]

Menachem Begin tried to kill Adenauer

It has been revealed in the German press that Menachem Begin, who was later to become Prime Minister of Israel and who awarded the Nobel Prize for Peace in 1978, masterminded, organised and paid for an assassination attempt against the German Chancellor, Konrad Adenauer, in 1952. Begin had been an active fighter in the Israeli terrorist organisation Irgun, which fought against the British mandate in Palestine, and he later founded a political party, Cheruth, out of Irgun when it was wound up. Four of the five Israelis who were arrested in Paris following the failed bomb attack were members of Cheruth and Begin protested against their arrest at the time. On 27 March 1952, an unknown man gave two boys a packet at the main station in Munich, asking them to post it in Schwabing. It was addressed to Adenauer and contained a bomb which later exploded in a police station, killing a bomb disposal expert. Shortly thereafter two letter bombs were delivered to Wassenaar, near The Hague, where Germany and Israel were negotiating a treaty on reparation payments for the Holocaust. A hitherto unknown group calling itself 'The Organisation of Jewish Partisans' claimed responsibility. The purpose of the attack was to prevent any agreement on the treaty. [*Frankfurter Allgemeine Zeitung*, 12 June 2006]

Paedophile political party formed in the Netherlands

A political party has been formed in the Netherlands whose purpose is to campaign for the legalisation of paedophilia. The party wants the age of consent to be lowered to 12 years and for children of this age to be allowed to take part in pornographic films. It of course also wants such films themselves to be legalised. The party, the NVD, says that an official body would be set up which would check whether children in porn films had been subject to constraints. One of the founders of the party, Ad van den Berg, 62, who already belongs to a pressure group which campaigns for paedophilia to be legalised, has received death threats following the announcement of the creation of the party. Opinion polls show that 80 per cent of Dutch citizens think that action should be taken against this party and 72 per cent say it should not be tolerated. Lawyers say, however, that it is difficult to see on what legal basis the party could be banned. Mr van den Berg says that if the policies he supports were adopted, then children would be better protected: he says that the current law leads to a witch-hunt of paedophiles without doing anything to protect children. [Jean-Pierre Stroobants, *Le Monde*, 3 June 2006]

Son of Italy's last king accused of pimping

The son of the last king of Italy, Victor Emmanuel Duke of Savoy, who was only allowed to enter Italian territory for the first time in 2002 after the lifting of a lifetime ban on the ex-king, his father, and all his male descendants, has been arrested and questioned by anti-corruption police in the Southern Italian city of Potenza, accused of paying bribes, procuring prostitutes and racketeering. He is alleged to have been involved in setting up rigged slot machines in the Italian enclave in Switzerland, Campione d'Italia. The inquest also involves the spokesman of the former Foreign Minister, Gianfranco Fini. The Prince of Savoy is accused of having used *"institutional and Freemasonic relationships"* for setting up a 'criminal company'. The Duke was previously a member of the notorious P2 Masonic lodge and has been in the past investigated for international arms dealing. It is reported that Victor Emmanuel told his police interrogators that he had had to pay *"a royal price"* for bribing his friends in his various shady dealings. The affair has naturally fascinated the whole of Italy, which is watching it like a celebrity reality show. Tapped phone conversations have been published in the press, incriminating the Prince, and this has in turn provoked outrage. They include such gems as *"I have just arrived in Milan and I have three quarters of an hour. I want to use the time to visit whores."* This has only confirmed the image of the Duke as a callous and vulgar man who said once of the Sardinians, *"They only know how to screw goats and they smell as bad."* Many other even worse and often cruel vulgarities have been attributed to him. In 1978 the Prince killed a young German tourist he had shot at and was given a six month suspended sentence for having a gun without a licence. [*Corriere della sera*, 19 June 2006]

BOOK REVIEW

Beyond the European Social Model

Open Europe, 2006, 86 pp, £5.00

Reviewed by ***Alistair Tebbit***

Since it was launched in October 2005 the campaigning think tank Open Europe has established itself as one of the leading UK-based advocates for reform of the European Union. Open Europe argues that in the face of rising global competition the only way forward for Europe is a strong dose of economic liberalisation and a much looser institutional framework at EU level.

Not many on the centre-right of British politics would disagree with that analysis and this is probably one reason why the Shadow Foreign Secretary, William Hague, chose to flesh out Conservative policy on the EU at an Open Europe event on 7 June. This was the first occasion since David Cameron was elected leader that the Conservatives have talked about Europe at any length, and given the moderate stance taken by the Party on many issues since Cameron's election, it is not surprising that Hague chose as his vehicle an event sponsored by a Eurosceptic group committed to European co-operation. Like the European Foundation, the approach of Open Europe is to push for reform rather than withdrawal.

Those readers who would take a more robust approach to the EU might therefore conclude that there is little of value in an Open Europe publication. In this, they would be wrong. *Beyond the European Social Model* gives an interesting and convincing analysis of the economic problems currently besetting many of the EU's Member States and suggests some routes out of the mire. This should appeal to Eurosceptics of all colours.

The book itself is a collection of essays written by authors mostly based in think tanks and universities. A particular strength is that it draws on opinion formulated on the continent as well as within the UK. The authors are multi-national and some are based in countries (e.g. Belgium, Holland and Sweden) which have been traditionally governed by politicians who support the Social Model and further European integration. This usefully dispels the argument still made by some Europhiles, despite last year's referenda, that questioning of the Social Model and the EU is an Anglo–Saxon concern alone.

In terms of structure, the book is in two halves. The first section, which is much the strongest, is devoted to exploring the failings of the Social Model. Lorraine Mullally does an excellent job of showing that the Social Model has not been very 'social' at all. Proponents tend to argue that a high level of welfare protection is a price worth paying for slower economic growth. This has always seemed unlikely to supporters of free markets and Mullally points out correctly that countries which have pursued liberal economics like the UK, the USA and Ireland now have much lower unemployment levels: typically 4 per cent compared to an average of 8 per cent in the EU15. In France and Germany the figure is closer to 10 per cent. To see the effect of protected labour markets and an over-generous welfare system, witness the endless rioting in Paris last summer, a development which sadly shows signs of repeating itself this year.

The myth of a successful 'Scandinavian Social Model' is also dismantled. Some European politicians are prepared to accept that all is not well in countries like France and Italy, but suggest there is a better Social Model on offer in Sweden, Denmark and Finland. This form of Social Model, so the argument goes, combines Anglo–Saxon economic efficiency with the welfare benefits of continental Europe. However, Martin de Vlieghere and Johnny Munkhammar in their respective essays show that this is nonsense. They point out that Sweden, which is constantly held up as an ideal, has fallen from being the 4th richest country in the world in 1975 to 14th in 2005, and that over the last 15 years Sweden's economy has been growing at 1.4 per cent on average, lower than the US and lower than the average in the EU or OECD.

It is true to say that Scandinavian countries have enjoyed some economic success in recent years, but Chresten Anderson argues that this can be explained by the introduction of free market reforms. In Denmark, major reform of unemployment benefits and pension systems has reduced pressure on government finances. Denmark also enjoys a relatively high level of economic freedom. She came 8th in the world in the Heritage Foundation's most recent Index of Economic Freedom. Success has occurred because Denmark is moving *away* from what is still an excessively large welfare state. Take note France, Italy and Gordon Brown.

The second half of the book looks at the way forward for Europe. Essays by Malgosia Kaluzynska and Paul Stephenson both point to the need for a lighter and better regulatory framework. However, it is difficult to see how this will happen while the Commission, a largely unaccountable and self-aggrandising institution, retains the right to initiate and draft all Community legislation. Any Brussels lobbyist will tell you that if you want to influence the form of European regulation then you go to the Commission to make your case. Decision-making in the Council of Ministers and European Parliament, for the vast majority of legislation, is largely an exercise in rubber-stamping the Commission's agenda.

However, Eline van den Broek's essay on the Netherlands suggests that there might be a tiny flicker of light at the end of the tunnel. She argues that attempts to reform the Dutch version of the Social Model, know as the 'Polder Model', point to an important change in political culture of the Netherlands. This would be good news for Eurosceptics: a move in EU15 Member States away from traditional corporatism, heavy regulation and top-down government, all features replicated at European level, could be one of the few catalysts for EU reform.

Indeed, the hope for such a development seems to underpin Conservative policy on Europe. In his speech on 7 June, William Hague stated, *"I believe there is a generational change taking place in attitudes to the EU that is yet to be reflected by most governments, including ours."* British Eurosceptics can only hope this is true. In the meantime, it is likely that some will see this as wishful thinking and continue to press for more drastic action.

Alistair Tebbit works for the European Research Group.

FACTS

by James Falkenbury

1 Grey Squirrels become a pressing issue for the EU

MEP Avril Doyle recently informed members of the European Parliament that there is an overwhelming population of grey squirrels residing in Great Britain, which have wiped out nearly 85 per cent of the country's songbirds. The discussion on grey squirrels was brought up during a debate about the world's declining ecosystems when Doyle told MEPs that, *"the grey squirrel population is being allowed to spiral out of control"* and *"the effect of this explosion could be catastrophic for our native songbirds."* Doyle is calling for increased EU funding into research to counter the threatening problem of the grey squirrel epidemic.

[*Metro* 31 May 2006]

2 Get excited!

If you are wondering how your EU taxes are being spent, look no further than to the EU Commission's campaign to get people interested in what is going on in Brussels. This is in response to the rejection of the EU Constitution by the French and Dutch and the fact that only 39 per cent of Europeans believe that the EU is heading in the right direction (while only 49 per cent feel joining the EU was a 'good thing'). The new campaign will include the release of an EU-wide song that will include a dance to go along with it; *"We want to show that the EU can dance,"* says the Commission. Also, a select body of 'experts' will choose 10 logos for this new EU campaign, which will ultimately be narrowed down to one logo that will be voted on by EU citizens. The chosen logo will represent the dance and song combination. All of this will culminate with a live dance party on television, and don't worry if you can't dance, there will be choreographers throughout the performance to help you through it. There is only one thing that the EU Commission foresees as a potential problem, and could thus keep this from being a successful event: this dance party might possibly turn off the past communist countries that are in the EU. One diplomat remarked, *"They feel people are being forced to dance and sing, like they were by the communists."* You have officially been warned.

[*Reuters* 2 June 2006]

3 Poles improving Scotland's declining population

Since Poland gained admittance into the EU in 2004, many Poles have been steadily streaming into the Scotland and integrating themselves into the population through study and work. Not only has Scotland welcomed over 20,000 Poles, they are trying to recruit even more. Scotland is doing this through the publication, *Welcome to Scotland*, which is printed in both English and Polish. In it, readers can find advice on finding a job, workers' rights, how to access accommodation, and training opportunities. The greatest benefit and reason for Scotland to pursue this is that 80 per cent of the Poles coming over are under the age of 35, which is helping stabilise the potentially serious population decline Scotland is suffering from.

[*EU Business* 6 June 2006]

4 Yet another survey

According to a new survey conducted by Penn, Schoen and Berland (PSB) for *European Voice,* citizens have yet again voiced their dissatisfaction with the current state of play in the EU. Of the 1,000 EU citizens that were questioned, some 82 per cent of the respondents said they were *"unhappy with the level of interaction with the EU"* and about 80 per cent feel that the European Council's decision-making process should be open and visible to public scrutiny. A further 68 per cent are against the two-seat European Parliament structure. PSB also found that 41 per cent of those surveyed trust the UN (making it the most trusted institution), while only 37 per cent of respondents said they trusted the EU.

[*EU Observer* 31 May 2006]

5 Prostitution Trafficking

With the World Cup taking place, MEPs are trying to prevent the illegal trafficking of women and forced prostitution in Germany. Particularly, MEP Anna Záborská is becoming highly critical of the German government in her efforts to stop the trafficking of women; she is also getting FIFA, the sponsor of the World Cup, *"to combat trafficking of forced prostitution"*. By using the World Cup as a platform, Záborská is able to highlight the serious nature of this issue – the exploitation and trafficking of women is becoming a major problem in all 25 EU Member States. She will present over 93,000 signatures to Franco Frattini, European Justice Commissioner, in attempts to raise further awareness in the Commission.

[*EUPolitix* 12 June 2006]

6 Modern Day Roman Empire

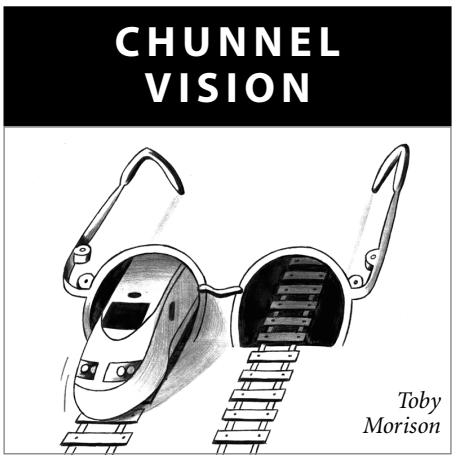
MP Boris Johnson's recently published book, *The Dream of Rome*, is inspiring an important figure in EU politics. Jose Barroso, President of the European Commission, has been seen with Johnson's book in hand and even brought it up in a recent meeting with Tony Blair, who seemed rather taken aback by this. As the *Evening Standard* reports, Johnson, a *"keen defender of the Roman Empire,"* believes *"Every one of the 30,000 bureaucrats should invest in a copy. It has cautionary tales for them all."* Whilst Barroso's office declined to comment on the situation, it seems at least the Commission President is taking note of his critics.

[*Evening Standard* 15 June 2006]

James Falkenbury is studying Public Administration and Political Science at Elon University in the United States and is a research assistant at the European Foundation.

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The Elephant in the Room

by Dr Lee Rotherham

It's the politician's nightmare. Life would be so much easier if the problems of the EU didn't exist. The public wouldn't get outraged by the endemic injustices and wrongdoings in the system. Conservative Party members wouldn't be perpetually up in arms about this directive or that ruling. Journalists wouldn't keep phoning up asking for comments on why they were hanging around a bunch of federalists who wanted a corporatist European superstate, and what they were going to do about a whole range of policies over which their predecessors had ceded all real power a generation before.

So what do we now seem to see emerging from certain new policy advisors in the Cameron proto-administration? A bold new policy indeed.

If the European issue is so awkward, let's just ignore it. Put your fingers in your ears and start humming, la la la la la, I can't hear you, la la la la la. There, it's gone away. End of problem.

It astounds me that there are intelligent people out there who could consider for a moment that this notion would even for a nanosecond work. We seem to be witnessing a return to Majorite revisionism. We are only just shy of bland reassurances that policy will be about winning the argument, fighting for free trade, and fixing (within the system) one or two areas where the EU isn't quite working. In a word, tinkering.

The EU has gone too far down the pier for a little bit of twitching with the steering wheel. At some point, it's going to go crashing off the edge, taking all its passengers with it. There are only two ways to stop this happening. Either, as some maintain, we get out of the car (ideally it stops and lets us off rather than we have to roll out at breakneck speed), or we can scream at the driver that he is not driving Herbie the Beatle. We have no desire to end up like Bond, hanging around underwater sucking air out of a tyre. A little wobbly driving will get us nowhere. The thing needs to go in reverse.

That can only mean having a barney with the other passengers and restoring powers to national control. This takes us on to where the Conservative Party absolutely must be heading today with its policy development.

It is frankly ludicrous to imagine that any reversal of the hard fought-over policy on fishing can lead to any meaningful result. To back down on solid commitments to bring fisheries back to national (or indeed, to Scottish Parliamentary) control is a betrayal. It defies common sense, as clearly subsidiarity means scrapping the *acquis* rather than the British fleet. It is an insult to the fishermen, whose livelihoods and communities have been wrecked. It even overturns Mr Cameron's solid and worthy green credentials, not only as concerns UK fisheries but also over the shenanigans in fishing in third world waters. Any attempt to create a solution within the CFP is utterly meaningless. Only the end of the CFP itself, and the associated incentives and infrastructure aid to power up Iberian fleets, is meaningful. Trash the policy, not the stocks.

The same principle holds exactly true in the case of the CAP. Far better to halve the EU budget in one stroke, and allow national governments the option to subsidise their farmers from their own taxpayers. That is the one way any meaningful reform can ever happen. Whether certain countries will accept such a proposition is open to debate! But not to even put it on the table is a betrayal of common sense principles, and damns even the prospect of real reform. Once again, aside from the European family paying both at the checkout and in the tax bill, the price is paid by the third world producer confronted with a protectionist regime.

Ditto with development aid. Hand it to people who have some sense of responsibility and ownership of the projects. Rather than fritter it away on countries that might one day join the EU, make those aid dollars work. And don't spend it for the sake of spending it either.

Money issues take us back to the EPP. Leaving that grouping would bring hundreds of thousands of pounds (of our tax money, notwithstanding) into Party coffers. It would provide an opportunity for the Eurosceptic Right to create a think tank and a campaign team that was not in thrall to alien philosophies. The arguments are well known, and set out in www.adieu-epp.com – ideological, cultural, mechanical, even structural objectives are all in there as well. So it plainly will not wash if the new policy is one of making an announcement in July (the holiday season) about a putative time when there will be a withdrawal from the EPP. This suggests that 2009 is very much on the cards. Veterans of the argument have seen it all before, with Michael Ancram arguing for a delay in quitting under IDS, which simply meant that the issue was unresolved when that leader was knifed. So because of that past delay the problem still curses us today.

No, David Cameron pledged to leave the EPP, and in a matter of days rather than weeks, let alone years. He did so for a reason. He clearly believed, and is quite correctly on record as saying, that that group is antithetical to basic Conservative and Eurosceptic principles. To wait until 2009 would be to hang around with a wife you've already told you are going to leave, while leaving your disappointed mistress dangling and untrusting. At the very least you are going to end up with your suits and ties scissored up. You may even find your bunny has been boiled, too. It simply defies logic, and the household bills continue to mount up every day.

I give Cameron more credit. Unlike some of those around him, I sense he can feel the whiff of pachyderm dung in the office. The question is: what is he going to do about it?

Dr Lee Rotherham is co-author of the TaxPayers' Alliance new publication, The Bumper Book of Government Waste, *which can be ordered online at on http://www.harriman-house.com*

The European Foundation

Mission Statement: The aims and objectives listed below are summed up in The Foundation's overall policy of 'yes to European trade, no to European government'. We believe that greater democracy can only be achieved among the various peoples of Europe by the fundamental renegotiation of the treaties of Maastricht, Amsterdam and Nice. The Foundation does not advocate withdrawal from the European Union, rather its thoroughgoing reform.

Objectives

- To further prosperity and democracy in Europe;
- To renegotiate the treaties of Maastricht, Amsterdam and Nice and prevent the ratification of the European Constitution;
- To reform and scale down the *acquis communautaire;*
- To ensure that future member states get a fair deal from EC/EU membership;
- To halt the continuing arrogation of power by the EC/EU;
- To prevent the UK from adopting the euro;
- To contribute as actively as possible to an informed public debate about the future of Europe;
- To liaise with like-minded organisations all over the world;
- To liaise with organisations affected by EC/EU action and policy.

Activities

- Addresses itself to the general public and to politicians, journalists, academics, students, economists, lawyers, businessmen, trade associations and the City;
- Organises meetings and conferences in the UK and in mainland Europe;
- Publishes newsletters, periodicals and other material and participates in radio and television broadcasts;
- Produces policy papers, pamphlets and briefs;
- Monitors EU developments and the evolution of public opinion and its impact on the political process in the EU.

The Foundation's History: The Great College Street Group was formed in October 1992 in order to oppose the Maastricht Treaty. The Group, consisting of politicians, academics, businessmen, lawyers, and economists, provided comprehensive briefs in the campaign to win the arguments both in Parliament and in the country. The European Foundation was created by Bill Cash after the Maastricht debates. It exists to conduct a vigorous campaign in the UK and across Europe to reform the EC/EU into a community of free-trading, sovereign states. The Foundation continues to establish links with like-minded organisations across Europe and the world.

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