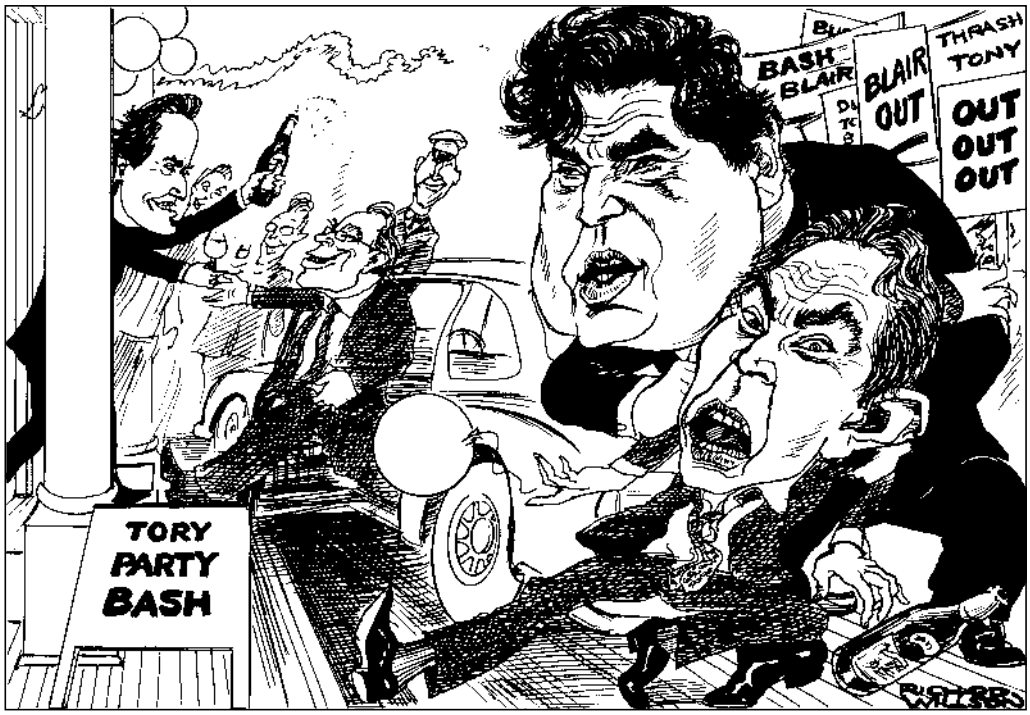
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THE EUROPEAN JOURNAL

The Journal of the European Foundation



What is at stake for the United Kingdom, the Conservative Party and Europe
Bill Cash, MP
&
Sara Rainwater • Nile Gardiner • Graham Brady, MP
Douglas Carswell, MP • Dr Liam Fox, MP • Mark Francois, MP
John Hayes, MP • Gerald Howarth, MP
Lord Howell of Guildford • Stephen O'Brien, MP
Owen Paterson, MP • Laurence Robertson, MP
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Charles Robinson • Celia Surtees • Jocelyne Saunders
Lionel Bell • Joseph Cookson • Dr Lee Rotherham

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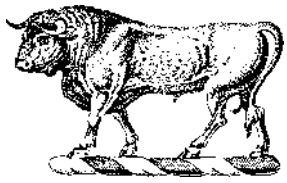
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from the editor

Dear reader,

It's that time of year again when politicians, researchers, journalists and other miscellaneous politicos, both young and old, head in droves to quintessentially British seaside resorts for party conference season.

In honour of this politically festive time of year, I have put together our annual Conservative Party Conference special edition. This year, 14 distinguished MPs and Peers have contributed their views on the state of the European Union.

In the lead article on page 5, our Chairman, Bill Cash, MP, gives us his outlook on the challenge ahead for the Tories in respect to the EU.

Other contributors offer a wide range of opinions on what the future of Europe should be – from Douglas Carswell's call for a managed exit for the UK on page 9 to Lord Howell's support of a Commonwealth alliance on page 16.

The general consensus, and the underlying theme running throughout this issue, though, is that the time has come for Britain to refocus its priorities. Globalisation and technological advances have opened up great possibilities for nation state interaction. Because of this, Britain should no longer look inward; instead new relationships must be forged, or existing ones strengthened, outside the realm of the EU. Britain must build strong, healthy relationships with the Anglosphere and beyond: the transatlantic alliance, with particular emphasis on NATO, must be fortified; pre-existing links with the Commonwealth must be utilised and reinforced; coalitions must be created with new economic powerhouses such as India, China and Japan.

A 'United States of Europe' is so last season. Free trade associations – based on democracy, accountability and co-operation amongst sovereign nation states – is the new black. Support such an idea and you're sure to stay in fashion for years to come.

Sara Rainwater

British Conservatives Must Defend the US–UK Special Relationship

by Nile Gardiner

The Anglo–American special relationship today faces one of its greatest challenges ever in rising British opposition to the United Kingdom's close ties to the United States. The resurgent Conservative Party under David Cameron must do more to counter this change in public attitudes. British Conservatives should embrace their Party's traditional pro-Atlanticist agenda and resist the temptation to adopt an anti-American foreign policy. The realistic alternative – spurning Washington in favour of closer ties to Brussels – threatens the effectiveness and leadership of both the United States and Great Britain on the world stage, as well as the progress of the war on terrorism.

Changing Attitudes

The recent YouGov/*Spectator* poll of British attitudes toward US–UK leadership of the war on terrorism[1] should serve as an important wake-up call for policymakers in both Washington and London. While an encouraging 73 per cent of respondents agreed that *"we are in a world war against Islamic terrorists who threaten our way of life,"* nearly 80 per cent dismissed the idea that Britain and America were *"winning the war against terror."* Only 14 per cent of those surveyed supported the view that Britain should *"pursue a foreign policy agenda closer to that of the United States;"* 45 per cent believed that *"Britain should position her foreign policy closer to that of the European Union."*

The poll reflects a sea change in attitudes among a British public that is traditionally pro-Atlanticist and sceptical of European integration. In part, the survey is a reaction against an unpopular Prime Minister, Tony Blair, who is closely aligned with Washington and whose international standing eclipses his domestic image. Blair's approval rating remains at less than 30 per cent. The public's changing attitudes are also representative of a broader rejection of US leadership on the world stage and rising anti-Americanism on both the left and right of the political spectrum.

Several other recent polls have produced negative findings with respect to British perceptions of US foreign policy and Downing Street's support for it. A July ICM poll for *The Guardian* found that 63 per cent of Britons thought the UK was *"too close to the USA."*[2] In a June YouGov/*Daily Telegraph* poll, 77 per cent of those polled disagreed with the view that the United States was *"a beacon of hope for the world,"* and 58 per cent supported the description of America as *"an imperial power."*[3] Fully 67 per cent expressed *"little or very little confidence"* in *"the ability of the United States to deal wisely with present world problems,"* and 65 per cent supported the view that US policies made the world *"a somewhat or much worse place to live in."*

Worryingly, anti-American views are now more prevalent in the UK than in some continental European countries with a far deeper tradition of public scepticism toward the US. In the latest *Financial Times*/Harris poll of opinion in five of the EU's largest Member States,[4] a staggering 36 per cent of Britons surveyed described the United States as *"the greatest threat to global security."* (Just 19 per cent of British respondents cited Iran as the world's greatest threat). In contrast, 28 per cent of Frenchmen, 21 per cent of Italians, and 24 per cent of Germans shared this view. Only in Spain was the negative perception of US foreign policy greater than in Britain.

The Threat to the Special Relationship

If the British public continues to move further away from the United States and slides closer to the European Union on major international issues, the long-term future of the special relationship will be in jeopardy. Britain is at a turning point in its history, faced with a choice between further political, legal, military and economic integration with the EU and a deepening of its alliance with the United States and other English-speaking allies such as Australia. As Tony Blair discovered with the Iraq War, the two competing visions are largely incompatible.

From the US point of view, it would be a geo-strategic disaster if Britain leans toward Brussels rather than Washington. The most prominent casualty of a fully developed EU Common Foreign and Security Policy (CFSP) would be the Anglo–US special relationship, forcibly consigned to the scrap heap of history. America's closest ally would be unable to operate an independent foreign policy and stand alongside the United States where and when it chooses to do so. The consequences for America would be hugely damaging.

For Britain, there is much to lose from a weakening of the Anglo–American alliance: the further loss of national sovereignty, the diminution of British global power and influence, the loosening of defence and intelligence ties, and a weakening of the close-knit financial, trade, and investment relationship.

For both US and UK policymakers, the defence of the special relationship should be a priority. On the US side, the Bush Administration should step up public diplomacy in the UK. Little has been done so far to effectively project and communicate America's foreign policy message to British and European audiences. In London, the Blair Government must do more to explain how the alliance with America enhances Britain's national security rather than undermines it, and why the special relationship is a two-way street that brings Britain major benefits. At the same time, the British Government should not undermine the alliance with America by supporting further political or defence integration in Europe.

The Resurgence of the Conservative Party

In the UK, the Conservative Party should play a key role in cementing the transatlantic relationship. Traditional support for the Anglo–American alliance has been a hallmark of the Party's foreign policy for over half a century. British and American conservatives are committed to many of the same values and ideals on the world stage: the defence of national sovereignty; the projection of military power to confront tyranny and threats to international security; the advancement of free trade; and the protection of human rights. As Shadow Defence Secretary Liam Fox recently remarked in a speech in Washington, *"Together, America and Britain have helped remake much of the world in the image of liberty and democracy."*[5]

The Conservative Party has returned as a major force in British politics. The latest

poll by ICM gives the Conservatives a nine-point advantage over the ruling Labour Party, the Tories' biggest lead in 19 years.[6] The Conservatives now are serious contenders for government when the next UK general election is held in either 2009 or 2010.

Blair's demise coupled with the decline in the polls for the Labour Party offer the Conservatives their first opportunity in a decade to emerge as a force in international affairs. As the Conservatives move closer to Downing Street, there is growing interest among Washington policymakers in the Conservative Party's foreign policy positions, in particular those concerning issues that have a direct bearing on the United States. The positions of British Conservative leaders on the war on terrorism, Iraq, Iran, Lebanon, and North Korea, for example, now carry far more weight than they did a year or even six months ago. They can no longer be ignored or dismissed as the statements of an opposition party far removed from political power and are increasingly seen as the views of a potential government in waiting. As such, the positions of British Shadow Cabinet Ministers on the major international issues of the day are rightly drawing the attention of the White House, National Security Council, Pentagon, and State Department.

For the first time in a decade, British Conservatives are in a position to have their voice heard and to make a real impact in Washington, especially in terms of US policy toward the European Union. British Conservatives can play an important role in helping shape US thinking on the future of Europe, an issue of fundamental national importance to the United Kingdom and the United States. The message they must convey is that the increasing centralisation of political power in Europe poses a fundamental threat to both the British and the US national interests.

A Dazed and Confused Foreign Policy

To many policymakers in Washington, however, the Conservative Party's current foreign policy is an enigma. The newly released Party manifesto, *Built to Last*, makes no mention at all of the United States and fails to outline a coherent vision or strategy for fighting the global war against Islamic terrorism or confronting the growing threat posed by Iran and other rogue regimes.[7] Nor does it address the future of Britain's relationship with the European Union.

In its public statements, the Conservative Party's leadership appears increasingly to be following the polls rather than leading public opinion, or mirroring the sort of fashionable anti-American rhetoric popular in the salons of Paris or Brussels. At times the foreign policy positions of the centre-right Conservative Party resemble that of the left-wing Liberal Democrats. High-profile attacks by some Conservative MPs on the war in Iraq and America's conduct of the war on terrorism are seen as deeply unhelpful across the Atlantic. Condemnation by the Party's leadership of Israeli military operations in Lebanon as *"disproportionate"* provoked a backlash not only among Conservative supporters in Britain, but also widespread unease in Washington, where it was viewed as a huge shift in policy as well as a sharp jab at US support for Israel.

There are echoes of former Conservative leader Michael Howard's highly confrontational and ultimately disastrous approach toward the US Administration that so badly damaged relations between conservatives across the Atlantic. The current thaw in relations, achieved by the highly successful visit to Washington in February of Liam Fox, George Osborne, and William Hague, may be edged aside by another transatlantic 'cold war' that would be in the interests of neither the Conservative Party nor the Bush Administration.

By playing to increasing anti-US sentiment in the UK, the Conservative Party risks burning bridges and alienating friends and allies, a risky short-sighted strategy that will yield little long-term gain. A poisoned relationship between the new Conservative Party leadership and the Bush Administration would undermine the influence of British conservatives in Washington. If the public attacks on US foreign policy become a longer-term trend, a Conservative government would find itself in an extremely difficult position dealing with a future Republican administration. Even a Democrat-run White House would balk at the kind of language being used to describe Israeli action against Hezbollah.

There is an immediate need for greater dialogue and exchange of ideas between British and American conservatives, as well as high-level contacts between Shadow Cabinet Ministers and officials in the executive branch of the US Government. The common goal should be the advancement of the special relationship and US–British interests on the world stage. There will undoubtedly be strong disagreements over policy issues, but these are better aired in frank, private meetings than sharply worded opinion pieces that can cause significant public damage.

Defending the Special Relationship

British conservatives should advance a strongly pro-Atlanticist agenda that emphasises US–British leadership on the world stage, Anglo–American cooperation in the war on terrorism, a firm determination to halt the development of a nuclear-armed Iran, support for global free trade, and concerted action to end the genocide in Sudan and human rights abuses in countries such as Burma and Zimbabwe. This should be a foreign policy based on the view that Britain, in alliance with America, is a major global player, with significant military, diplomatic, and economic clout that eclipses that of any other European country – in other words, a self-confident international power whose vision extends far beyond the narrow confines of the European Union.

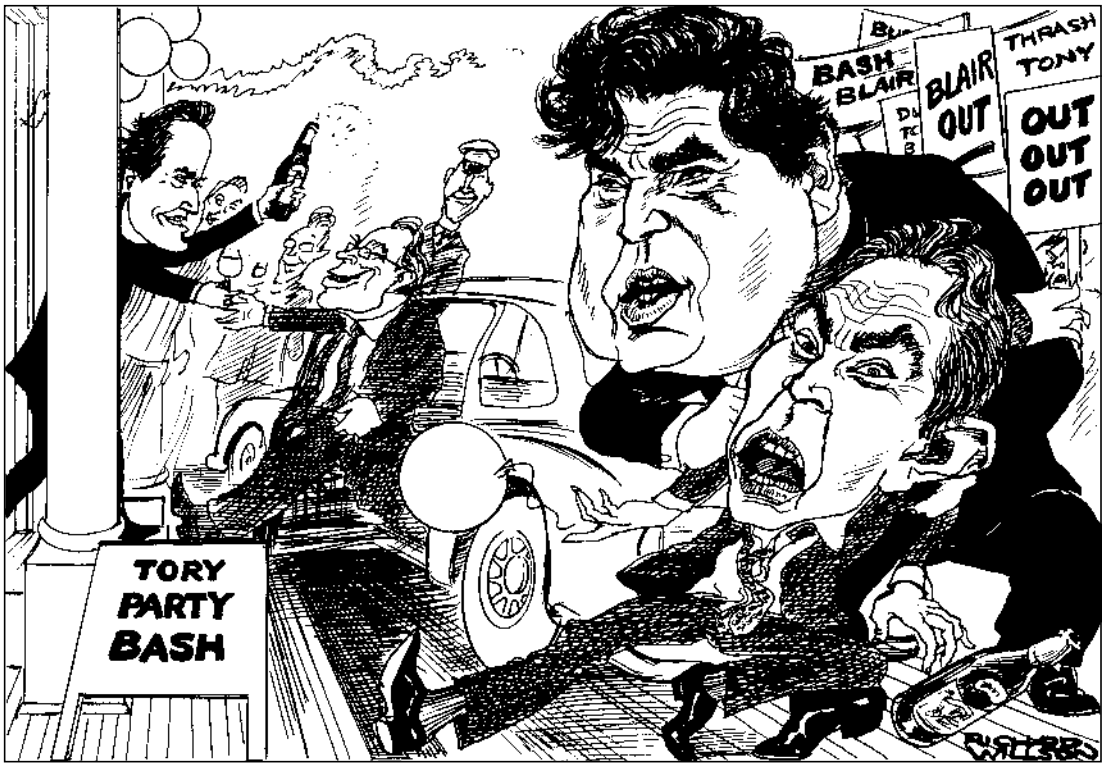
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What is at stake for the United Kingdom, the Conservative Party and Europe

by Bill Cash, MP



The European Union is failing. Economically, politically and socially the EU is failing to benefit the 456 million people who reside within its borders, and failing in its attempts to bring benefits to aspiring accession states. What is now happening in Hungary and Poland is yet another example of the instabilility which has been occurring in France and Germany, and is characteristice of New Europe as it fails to grapple with the new demands of the 21st Century. Globally speaking, the EU is failing in its broader commitments to both developed and developing countries.

One of the greatest of the EU's failures is its economic record. Whether the issue is judged in terms of the unsuccessful Lisbon Agenda, the dire state of the eurozone or the repeated inability to enforce the Stability and Growth Pact, the EU is suffering from chronic low economic growth and high unemployment. These are hardly the right ingredients for becoming *"the most competitive and dynamic knowledge based economy in the world"* by 2010.

A successful conclusion of the Doha round of the World Trade Organization had the capacity to take between 20 and 140 million out of poverty. Negotiations broke down due to, as argued by the *Financial Times*, "*13 or 14 agrarian EU Member States periodically orchestrated by France to prevent bigger cuts in European farm tariffs.*" In other words, the EU's intransigence has condemned millions of people across the world to outrageous years of poverty. Attempts to implement far-reaching reform of the Common Agricultural Policy, which significantly harms farmers in developing countries, have also repeatedly failed, again due to the entrenched interests of large agricultural Member States.

It is time the European elite, both in the UK and in other Member States, faced the reality of the failure they have systematically inflicted on their voters. This is unlikely to happen in the near future, however, given the current state of affairs, with those such as Angela Merkel, Romano Prodi and Jacques Chirac seeking to lead the EU towards further integration, in wilful ignorance of its increasingly urgent current difficulties.

With Presidential elections looming in France in May 2007, the country's would-be leaders are already busily pursuing the traditional, Gaullist tactic of talking-up European union. Nicolas Sarkozy, of the centre-right UMP, recently called for the revival of the European Constitution in the form of a 'mini-treaty', which could be rammed through national Parliaments without the need to hold national referenda. Mini in size, but by no means mini in impact, the slimmed-down Treaty would replace the national veto over EU decisions including tax measures, criminal justice and foreign affairs, with a system of 'super-qualified majority voting.' Sarkozy's main rival, Ségolène Royal from the Socialist Party, is if anything, more wedded to European integration. Thank heavens therefore for the continued voice of Philippe de Villiers in France, who won the referendum there and who has been on the board of the European Foundation for 13 years.

That leaves the UK once again facing certain crisis with regard to its position in the EU. The current situation does not call for tinkering but for statesman-like reform. For too long we in the UK have deluded ourselves that there are those in other Member States who will carry out thoroughgoing reform of the EU, either with us or for us. There remains today no sign of this occurring. The UK, led by the Conservative Party, needs to stand up to its European counterparts and come up with

radical proposals for a new Europe – a Europe based on associate status and which approximates to the European Free Trade Area as regards structures, functions and legislative capacity.

Foreign Policy

The UK is in danger of losing its independence of action in foreign affairs. Historically speaking, Britain's strongest allies have been the English-speaking nations of the old Commonwealth and the United States. More recently NATO has served once again as a cornerstone in defence, providing a point of reference for both the EU and the US. Since the St Malo agreement in 1998, the EU has been assuming a greater role over foreign affairs and defence under the European Defence and Security Policy, a role which has been steadily undermining NATO. An increase in EU-led projects – which the UK is buying into at the expense of our military co-operation with America – such as the Galileo satellite system means the US is becoming unable to share information with the UK for technological as well as security reasons. This will prove to be a costly error, in strategic as well as financial terms

The UK still has the capacity to act unilaterally from the EU, as evidenced by its support for the US over the war in Iraq and more recently over the crisis in Lebanon. However, had the failed Constitutional Treaty been successfully enacted, the UK would have been completely hamstrung and the Government would have been unable to choose an agenda to pursue. Even without the legitimacy of the Constitution, Javier Solana, the EU's High Representative, was attempting to gain a mandate to speak out on behalf of the 25 Member States over Lebanon.

The Conservative Party should oppose, at all costs, greater EU integration in the field of foreign affairs and should actively seek to maintain and strengthen the Atlantic Alliance

The Conservative Party should oppose, at all costs, greater EU integration in the field of foreign affairs and should actively seek to maintain and strengthen the Atlantic Alliance. It is vital for Britain's strategic and security interests that the anti-Americanism which has become so fashionable within continental Europe is successfully challenged at home, so that a tough and effective foreign policy with America can be forged, and abroad, in Britain's national interest and for the sake of freedom and democracy at large.

The Human Rights Act

The rise of international terrorism, mass movements of people and the increasing rate of technological advance have left the British nation more vulnerable than ever to unconventional and unexpected attack. It is the role of any government to protect its citizens' security and liberty – the fundamental challenge then is to strike a balance that succeeds in safeguarding both.

To date, the Labour Government has got this balance severely wrong. Recent cases such as Mr Justice Sullivan's decision to allow the nine Afghan hijackers to remain in the UK as refugees amply demonstrate this. Those who commit crimes which endanger our security should be dealt with fairly but sternly. If this is not done, and seen to be done, then national governments risk creating a crisis of public confidence, engendering a fear of freedom and a fear of democracy in society.

The Human Rights Act – which was passed by the Labour Government in 1998 and which incorporated the European Convention on Human Rights (ECHR) into UK law – should be repealed and we should withdraw from the ECHR altogether.

Until the passing of the European Communities Act in 1972, the proper protection of human rights was guaranteed by established English law: in legislation from Magna Carta to the Bill of Rights and in common law rules enshrining natural justice and denouncing slavery and oppression. Now the judiciary is bound by the HRA and increasingly uses Strasbourg jurisprudence as a precedent. This has led to a battle between our legislature and judiciary, as judges are not required to follow Strasbourg jurisprudence except in so far as it is coterminous with EU law. I have repeatedly made this point and demonstrated its damaging effects in a series of Bills through Amendments in Parliament and by comments in the national press.

The HRA was indeed intended to return rights to the UK, but many judges have chosen to follow Strasbourg rulings over and above UK ones. The Conservative Party, as David Cameron has indicated, must ensure the HRA is expressly overridden by subsequent Westminster legislation and power over such matters be returned to Parliament in principal and without exception.

Justice and Home Affairs

One of the UK's key vetoes in the field of Home Affairs is under threat from the European Commission, with the connivance of the Labour Government. The Commission is proposing to transfer issues of criminal law and police cooperation from the third pillar into the 'community pillar', which would by necessary implication remove the right to a national veto as all decision-making would be agreed by QMV in the Council of Ministers. The abolition of the veto over Home Affairs was a key feature of the failed Constitutional Treaty, which the Conservative Party opposed but the European People's Party supported.

The Labour Government is refusing to state its position on the matter. David Heathcoat–Amory and I challenged Geoff Hoon during a European Union Scrutiny Committee meeting in July, where Mr Hoon indicated the Government was not prepared to rule out giving up the veto. More recently in a response to a written question from Graham Brady, Geoff Hoon claimed the Government is still giving the issue *"careful consideration."* However, the Labour Party signed up to and continues to support the failed Constitutional Treaty, evidenced by the fact it keeps it on the Order Paper in spite of its clear rejection by France and Holland. By continuing to back the Constitution, the Labour Party implicitly agrees to its content including the removal of the veto over Home Affairs.

It is crucial then that the Conservative Party unambiguously opposes the Commission's proposals and maintains its opposition to the Constitution. The EPP of course favours the Commission's proposals, once again demonstrating the incompatibility of the basic policies of the Conservative Party with those of the EPP. Whilst it is currently virtually impossible for the Conservatives to withdraw from the EPP and form a new alliance in the European Parliament, we need to remember, in David Cameron's words, that it is impossible for the Conservative Party to say one thing in Westminster and another in Brussels. That is why it is so vital that the supremacy of our Parliament at Westminster is restored.

What the future holds

With Germany assuming the presidency of the EU in January 2007, there is clearly a great deal at stake for the UK and, in turn, for the Conservative Party. German Chancellor Angela Merkel has made no attempt to disguise her wish to make the failed Constitution a priority during her presidency. Germany's Foreign Minister, Frank-Walter Steinmeier, recently endorsed this position, saying, "*we need this Constitution so that we can benefit from better representation in foreign policy and security issues. The Constitution will improve the EU.*" Merkel has invited all 25 Member States to submit proposals on how to proceed with the matter and will present a report on the basis of these proposals during the six months of the German presidency.

Furthermore, whatever the result of the French presidential elections, in May 2007 France will gain a new President who is, at least publicly, fervently committed to deeper political integration. This will create a political community of interest with Germany thereby paving the way for a revival of the traditional Franco-German motor of integration. The natural result of such a revival would be to place the direction of EU reform in direct opposition to UK interests and policy.

Rather than debating the next grand-integrationist project, the EU should concentrate on geographically widening, not politically deepening, itself

One of the areas in which Franco–German interests directly oppose the UK's is over further enlargement of the EU, namely Turkey's membership. Jacques Chirac has pledged that the matter be subject to a national referendum, Nicolas Sarkozy has called for a 'privileged partnership' and Angela Merkel is notoriously dubious about Turkey's prospects. Rather than debating the next grand-integrationist project, the EU should concentrate on geographically widening, not politically deepening, itself. It would make far more sense for countries such as Turkey to join a Europe of associated states rather than one that defines itself in terms of culture, religion, ethnicity and race. It would be disastrous at this stage if the tide of opinion turns against Turkey, and as a result, we lose an essential strategic ally and our bridge between East and West.

The Position of the Conservative Party

There is a great and historical opportunity waiting for the Conservative Party under the leadership of David Cameron and his frontbench. We are extremely glad that so many frontbench Opposition Members of Parliament have contributed to this edition of the Journal which will help to formulate Conservative Party policy.

Britain must regain its confidence in its history and achievements, its democracy, laws and institutions and in its ability and will to govern itself as a sovereign nation

First and foremost, the Party must pledge to take control of Britain's own affairs and stop Britain from being crushed by a failing European ideology, over-regulation and bureaucracy. Britain must regain its confidence in its history and achievements, its democracy, laws and institutions and in its ability and will to govern itself as a sovereign nation.

On 15 May 2006, as readers of this journal will recall, I tabled an Amendment to the Government's Legislative and Regulatory Reform Bill, a critical Bill whose EU implications were grossly overlooked, especially by those in the Labour Party and the media. The Blair Government claimed the Bill would tackle the problem of over-regulation. However, because the majority of over-regulation that burdens UK business originates in Brussels not Westminster, the Government's proposal could only ever have minimal benefits. My Amendment to the Bill (Clause 17) would override the European Communities Act 1972 by ensuring that unilateral Westminster legislation could be passed irrespective of European legislation and, crucially, require the British judiciary, including the Law Lords, to obey that Westminster legislation.

We would like to pay tribute to the great work of Lord Waddington, who moved my Amendment in the House of Lords where it was also whipped and gained the support of 87 Conservative Peers, two Liberal Democrat Peers and one Green Party Peer. The fact that the Conservative Party supported my Amendment on a whipped vote shows that the Party is emerging from its torpor over Europe. It is acknowledged amongst constitutional experts that this is the first time since the debate on the European Communities Act itself in 1972 that, on a substantive government Bill, an override of the ECA 1972 has been selected, moved and voted on by any party in the UK. It represents a landmark return to principle for the Party, which has endured such confusion for so long about the political, legal and constitutional implications of the UK's membership of the EEC and its successors, the EC and EU.

Whilst the Conservative Party can enjoy this new-found period of stability, the Labour Party has become increasingly fragmented and divided, with several fault lines emerging: old Labour/new Labour; Blairite/Brownite; and Atlanticist/anti-American. With so many visible cleavages (including the sub-divisions about the timing of Tony Blair's resignation and the manner of the succession), the Europe issue has become invisible to the media; but when the drama of personalities subsides and a new, would-be Labour leader starts to talk about policy, it will be incipient in his every word. The Conservative Party must thus continue to act with unity of purpose and direction as the new and inevitable wave of disillusionment with Labour sets in, following any temporary lift in the polls with the appointment of a new leader, towards the next general election.

It is already clear that there is little public appetite for more integration and that the peoples of Europe would prefer their political classes to concentrate on getting current problems solved. The politics of the EU and its Member States, however, have their own dynamics, and recent developments in France and Germany augur an imminent return to the default setting. It is essential that when, not if, the Constitution is revived, the Conservative Party is united and unambiguous in its position and demands a national referendum on the Treaty. In the longer term, it is also essential that our Party stands ready to lead a new, EU-wide coalition of national parties in a new direction: towards our shared vision of a New Europe.

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

The Movement for European Reform

by Graham Brady, MP

For 50 years the European Union has been accreting new powers and responsibilities to itself. Sometimes the process has been rapid, sometimes slow, but the genius of the mechanism created by the architects of 'ever closer union' is that it has only operated in one direction: powers have been added to the *acquis communautaire* but not taken away from it. It was possible, therefore, from time to time for a recalcitrant Member State (usually but not always Britain) to block the next phase of integration, to delay it, but once it had been conceded, it would never be reversed.

This is how a Conservative Government in the United Kingdom was able to opt out of monetary union and the Social Chapter; how a Conservative Opposition could campaign to 'Keep the Pound' and oppose an EU Constitution that would not only have increased the EU's powers dramatically but would have been the framework of a United States of Europe. Meanwhile, though, the ratchet of the *acquis* continued to turn. The growing number of areas for decision by majority voting and the creativity of the ECJ has also meant that powers could increasingly be seized even in the face of outright opposition (the Working Time Directive is a case in point). Tony Blair's Government has blithely allowed the EU to increase its 'competences'. In particular, the Government is set to give the go ahead to a serious increase in the EU's powers over Justice and Home Affairs. Even after the rejection of the Constitution by voters in France and the Netherlands, the ambition to press on with the project of ever deeper political integration continues – the Germans, who will assume the EU presidency in January, are talking openly of their ambition to resurrect the rejected text.

Against this background, the Conservative Party's settled policy – under Michael Howard and David Cameron – of a flexible EU, which returns powers closer to the people, reverses the ratchet and breaks the deadlock of the *acquis communautaire,* promises a profound change of direction. Our determination to bring back control of our social and employment laws means that an incoming Conservative government would be the first ever elected not just to resist the process of *further* integration – but with a clear mandate for returning powers to national control.

An incoming Conservative government would be the first ever elected … with a clear mandate for returning powers to national control

Some people think that we are doomed to fail; that our good intentions will crumble on impact with the immovable object the *acquis* seems to present. Or even that we are not really seriously committed to achieving our goal.

The Party's agreement with our closest allies in Europe, the Czech Civic Democrats, not just to form a new group in the European Parliament but together to establish a new Movement for European Reform, is a clear signal of just how serious we are. In the past it has always been the advocates of integration who have invested the energy and resources necessary to build alliances in the EU. All too often it has seemed to new Member States that there was only one respectable vision for the future of the EU – quite simply because no government or major political party was taking the trouble to set out an alternative. However, as we saw in the debates over the Constitution, people are increasingly questioning why the EU has failed to deliver, why unemployment is so high, why European economies are stagnant while other parts of the world are dynamic and exciting. People are ever-more disillusioned with a political establishment that always wants to take decisions further away from the people but all too often fails to deliver any practical benefit to their lives.

The new Movement for European Reform will be that much-needed voice for a more flexible, less heavily regulated, less centralised EU – an organisation that abandons its grandiose pretensions to a Constitution and ever-increasing control over the national democracies of the Member States. It will allow individuals, organisations and parties from across Europe and beyond to debate and work together and provide fresh answers to Europe's problems, problems for which the European political establishment's old solutions are clearly not working.

With the launch of our website at the Bournemouth conference and a series of conferences and seminars around Europe to follow, the Movement for European Reform will become a real force for change – articulating the case for a new alternative to the Brussels juggernaut of institutions and regulations that is doing so much to stifle growth and hold us back from competing in the world.

Graham Brady is the Conservative Member of Parliament for Altrincham & Sale West and Shadow Minister for Europe.

Why Britain Must Quit the EU

by Douglas Carswell, MP

Britain's membership of the European Union has been an economic and political disaster. If we remain part of it, it will become a catastrophe. It is time for the Conservatives to recognise this – and prepare for a managed exit.

Unfortunately, for the past four decades our Party has deluded itself about Europe. We have failed to come to terms with what our membership of the Europe Club actually entails – and allowed ourselves to believe a different form of membership is attainable to the only one that actually exists.

It was Tory Ministers in the1970s who insisted that joining the 'Common Market' did not mean a loss of sovereignty. Douglas Hurd was at it when he claimed Maastricht was the high water mark of EU integration. There has never been a shortage of Tories happy to tell us that the EU is supposedly 'moving our way'.

My esteemed colleague Sir Malcolm Rifkind recently wrote in *The Spectator* about the need to find *"an alternative vision of the EU"*. Alas, we need to deal with the EU as it is, rather than as we might wish it to be.

Sir Malcolm's alternative Europe will simply never exist. So let us instead base our policy on the Europe that does exist.

Europe today is weak, and will grow only weaker. By almost every conceivable measure of strength, Europe is in decline relative to the rest of the world. Europe's combined economic weight accounts for a smaller proportion of the global economy today than at any point since the 1600s. Capital investment is pouring out of EU-land. In 2004 alone, outflows of direct investment from France hit $50 billion, and from Germany $39 billion. Of the current G6 (America, Japan, Germany, France, Italy and Britain), by the middle of this century not one EU country will be among the largest six world economies.

In demographic terms, Europe is in a spiral of decline – what one commentator has labelled *"deathbed demographics"*. With fewer children being born than ever, Europe's population growth is below replacement levels. By 2010, Europe's population will decline in absolute terms as deaths exceed births – for the first time since the Black Death. Increasingly geriatric, the working age population will fall from 67 per cent today to 57 per cent by 2020. The demographic shortfall is, and will continue to be, filled by high levels of immigration, which will in turn raise questions about cultural continuity.

Militarily, Europe is a pygmy, with her defence subsidised by the US though NATO, and with expensive welfare schemes to run. Europe's military capability (with the exception of France and Britain) is negligible. Despite all the fanfare about the deployment of European troops in Lebanon, the stark reality is that Europe barely has any to deploy.

Having recognised that Europe is on a downward trajectory, we need to ask if EU integration is likely to stop such trends. Is integration (consolidation?) the best response to Europe's weakness, or will integration in fact accelerate Europe's decline? Totting up each Member State's combined GDP might help keep Europe higher up the international economic league tables, but it does not give Europe's economy more dynamism. Calling everyone living in the Member States 'European citizens' does not make more Europeans or reverse the demographic decline. Combining Europe's weakling armies into a single Euro corps might strengthen the battalions on paper, but without giving individual Member State governments incentives to invest, our combined military capability will remain feeble. As a counterweight to America, EU diplomats might manage to annoy Washington, but that does not mean having any greater clout in Beijing or Tehran.

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Integration as a response to Europe's weakness is not only unsuccessful in its own terms, it is actually counterproductive. By Europeanising problems faced by different Member States, the EU makes it less rather than more likely that Europe is able to evolve appropriate policy responses.

As Andrew Neil brilliantly observed in his Hayek lecture, and as Hayek himself would have appreciated, the EU is not about evolving policy responses at all. Rather than being about what Hayek termed *"evolutionary rationalism"*, the EU is a product of *"constructive rationalism"*. An economic and political construct built by deliberate design; its architects afflicted by a fatal conceit that they alone possess the power to build and mould. It is no coincidence that when people object to the 'Brussels bureaucrats', often their ire is awoken as much by the presumption that someone thinks they know what is best than by any actual EU regulation itself.

Evolutionary rationalism, in contrast, accepts that there *"exists orderly structures which are the product of the actions of many men that are not the result of human design."* To Hayek, the road to prosperity and progress lies in unimpeded market economics and decentralisation (localism?).

Conservatives today need to appreciate this, too, and to realise that the only EU on offer is a product not of evolutionary rationalism, but of constructive rationalism. That is why there can never be Sir Malcolm's 'alternative vision'. That is why Britain has not and will never feel at ease with EU membership. Philosophers and historians may argue if a Britain shaped by the traditions of Adam Smith can ever be at one with an EU moulded by the ideas of René Descartes, Conservatives must also ask if it can be in our national interests to remain in the EU.

As Europe embarks on her great experiment, China and India have abandoned theirs and opted for evolutionary rationalism. Since 1978, Beijing slowly began to end her attempts at commanding China's economy from on high. Special economic zones have a regulatory autonomy that no EU Member State enjoys – and China is booming as a consequence.

As India and China devolve, decentralise and prosper, Europe moves in the opposite direction. Power in Europe is shifting upwards and a pan-EU quango state is taking shape with the European Commission at its apex. By remaining part of the EU, Britain is slowly but surely being 'Europeanised'. Our economy increasingly resembles the high tax and spend continental economies; labour laws and regulations are nearly as stringent. Yet our political institutions are being Europeanised as well. A quango state now oversees not merely agriculture and fisheries but vast swathes of public policies. Increasingly, UK quangos answer not downwards to the people but upwards to Brussels.

Free from the EU, it would be possible to radically transform Britain. Power would be devolved away from the quango state downwards to the people. Local government could be made self-financing which would involve the abolition of VAT. Free trade with the world and fair trade with Africa would be possible. There could be a radical reform of the welfare state so that it helped rather than hindered the most vulnerable. There could be choice and competition in the public sector. There could be excellence rather than mediocrity in our schools through a voucher system and universities could be set free from the state. Our economy could be radically liberalised. So long as we remain part of the European Union we can do none of this.

While Britain has paid a high price by being part of the EU, the Conservatives have paid a high price for not saying so. If we were to leave, the roof would not fall in. Like Norway, Switzerland or Australia, we could prosper and thrive outside. In this age of the internet revolutionised by cheap communication, we need no longer be captivated by our geography. It is time we had the guts to say so.

Douglas Carswell is the Conservative Member of Parliament for Harswell.

Conservative Rejection of Defence Integration

by Dr Liam Fox, MP

The 'commentariat' in this country are devoting many column inches to the dissection of our 'special relationship' with the United States, wondering whether the balance is right, and whether we should be engaging more with Europe. In all this self-analysis, none of them are giving any attention at all to what is actually occurring within the EU, and what the consequences of closer foreign and defence policy integration would be.

Yet one doesn't need to look far. On an almost daily basis now, senior European politicians are articulating a desire for closer European integration. Javier Solana claims we are at the 'threshold of irreversibility' for a European defence policy. The Belgian Prime Minister Guy Verhofstadt went so far as to tell *The Today Programme* that, *"if you have not one European Army … it's very normal that you are continuing with different points of view."* Laurent Fabius has called for a joint Franco–German Army by 2015, the centenary of Verdun, to form the nucleus of a European Army.

Recent events in Lebanon have only given added impetus to these exercises in wishful thinking. EU Commissioner Michel Barnier has called for Europe to *"speak with a single voice"* with regard to the situation there and that *"Europe's voice is not loud enough because it is not united."*

But Solana is wrong when he talks of 'irreversibility'. NATO still exists. Not every EU member is participating in the European Defence Agency. Governments still retain a veto in the sphere of defence, despite the dreams of many.

For all this aspiration, there remain fundamental objections which act as the cornerstone of Conservative opposition to further defence integration.

I frequently refer to the fact that the 2.2 per cent of GDP the UK is currently spending on defence is the lowest since 1930. Yet when compared with many fellow EU members, it seems a great deal more substantial. Neutral Austria, for example, spent just 0.7 per cent of their GDP on defence in 2005. Other NATO members even spend far less than we do. This means that many NATO and EU countries are getting their (collective) defence on the cheap.

This is an unsustainable situation. In an era when the security of our energy supply is going to become crucial, that security can only be collective since our economies are now so interdependent. Unless we see other European nations sharing the costs – and the burden of risk on overseas commitments – and the position of neutral countries is resolved, it is hard to see how European defence integration can function even as it currently stands.

Even if we were to accept a common defence policy (which we do not), it could only function in synchronisation with a Common Foreign and Security Policy (CFSP). Events of recent weeks show just how difficult that would be. French dreams of Europe (and France) taking a lead in the peacekeeping force deployed to southern Lebanon were compromised by the paltry contribution of troops offered by the French. As I write, Paris and Rome are now at vitriolic loggerheads over who is in charge. There is not much 'commonality' therefore even between those states most enthusiastic about ESDP.

The approach to the Lebanon mirrors the problems experienced in the Balkans which showed how difficult it is to merge individual countries' foreign policy objectives given that national self-interest will always trump Utopian supra-national objectives. Faced with the land war in Europe the EU has been so fearful of for so long, peacekeepers were sent by the EU under a UN flag to a Bosnia without any peace to keep. Only the US was able to save the Balkans from a Euro-paralysis, which saw civilians butchered as troops from the EU looked on.

Britain can *never* allow its troops to be sent into action by any supra-national body, still less one with no democratic accountability. That is a decision for the sovereign, elected British government.

Changing the financial arrangements of defence funding in a European context and submitting to supra-national objectives over national self-interest could both be achieved with sufficient collective will-power – though I doubt I would see it in my lifetime, if ever. But there is a very straightforward, insurmountable problem which underpins our opposition to these trends. Britain can *never* allow its troops to be sent into action by any supra-national body, still less one with no democratic accountability. That is a decision for the sovereign, elected British government. There can be no role for the European Union in this sphere.

From summits at Pörtschach and St Malo, Köln and Helsinki and on to Nice, EU member governments have slowly been constructing institutions forming an EU defence identity – planning cells, an EU military staff and a European Defence Agency concerned with procurement. A European Security and Defence Initiative became a European Security and Defence Policy – an arcane change in the nomenclature, you might think, but in the detail lay the mark of the federalists turning away from NATO and the Berlin-Plus blueprint whereby the EU could only act when NATO chose not to.

None of these developments have expanded military capabilities, led to increased military spending or given the EU more 'teeth' when it comes to executing policy decisions.

The European integrationists recognised that before ESDP could be set in stone a need for it had to be manufactured by creating institutions which then had to find things to do to justify their existence. Only by engaging in ESDP missions could a *raison d'être* be established, or as Solana has recently put it to create *"legitimacy by action"*.

Most of the EU missions so far could have been carried out by other bodies. In Aceh, ASEAN was already making a sizeable contribution before the EU sent a monitoring mission. The OSCE had specialist competencies in border policing that obviated any need for the EU to be carrying out policing missions in Macedonia or Bosnia. The EU mission to the Democratic Republic of Congo was predominantly French – but the French sent a stabilising mission to Cote d'Ivoire unilaterally. Why not to Congo? When they got there, they had to co-operate with the UN's MONUC mission anyway.

In all these instances, the same soldiers could have done the same tasks wearing

different hats. There was no need for the EU's involvement. Overall European military capacity has not been increased. What if NATO and the EU had wanted to act in different ways in the same theatre? No soldier, ship or plane can be in two places at once. NATO has a Response Force, the EU now has a Rapid Response Force composed of 'battle groups'. Whereas once the aim was for the NATO/EU relationship to consist of separable but not separated assets, this is a clear advance in the direction of a separated EU Army.

However, the main progress so far, by stealth, has been the establishment of the institutions, most notably the European Defence Agency.

I have no problem with bilateral Anglo-French procurement projects for aircraft carriers, or Anglo-German-Italian-Spanish aviation projects such as Eurofighter, or Anglo-Dutch amphibious troops, or joint deployments with any European nation, EU or non-EU if that is what a Conservative Government ordains. But I see no need to involve the EU itself given such bilateral projects work well – and better than many EU projects and missions.

In any case, so much of this duplicates what NATO already does or could do. Many supporters of an EU Army overlook the fact that it is the US and NATO which have been the most successful guarantors of security in the post-war world. NATO, for example, could deal with the issue of energy security much more effectively than the EU could if only because it has Turkey as a member and most of the Caspian Basin nations are active in NATO's Partnership for Peace. NATO, because of American involvement, remains the most effective means of combatting terrorism and weapons of mass destruction as Afghanistan proves.

Working through NATO, in theatres such as Afghanistan, EU nations have an unprecedented chance to prove their military credibility. This is a test they will fail if all they focus on is institution building, rather than capacity building, and if they do not share the burden of costs *and* risk on NATO operations more equitably. Europe wants to do more, and it should do more, but only under NATO auspices.

This is why I remain sceptical about the European Defency Agency. There is nothing wrong in trying to expand military capability, fill in gaps where they occur, or reduce economic nationalism in the defence sector. But Conservative approval for these goals should not be mistaken for agreement for any future extensions of competences.

Currently, the EDA is under the control of the Council of Ministers and as such subject to national vetos. If the current Government seeks to alter that legal basis, to substitute QMV for the national veto, or submits to a Common Procurement process, then it would be our policy to no longer co-operate with the EDA. Whilst we retain a veto, we retain our freedom to say 'No'. That is fundamental to our national security.

In any case, it is unclear why we should restrict the beneficial goals of pooling development costs, avoiding expensive duplication or encouraging extra defence spending solely to EU members. Would it be such a bad thing if non-EU European members of NATO – such as Norway or Turkey – were able to participate in the EDA process alongside EU members? Who would be harmed?

All the things that the EU seeks to do in the field of defence policy can already be done by other organisations. The only reason for the EU to interest itself in these goals is to further the overall federalist process.

We reject the idea of an EU 'mutual assistance' clause which copies Article V of the Brussels Treaty governing NATO. We reject the idea of a common EU nuclear deterrent. We reject the idea of an EU Minister for Foreign Affairs. We reject the idea of common procurement policy.

We reject the idea of an EU Minister for Foreign Affairs. We reject the idea of common procurement policy.

The defence of the realm is at the heart of our national sovereignty, and NATO remains the cornerstone of our defence. CFSP is not just an alternative to NATO when NATO chooses not act, but the vehicle for its replacement within a multi-polar world. The Europeanisation of defence by the EU is a dangerous prospect, advancing gradually, and we must ever watchful.

Conservatives will reject any further attempt to duplicate already existing assets and capabilities or to decouple European from American security. We want to see co-operation between independent states when it is in their mutual interests to do so but with the ability to act separately when their national interest requires it, free from the dead hand of EU bureaucracy. Since we will retain and defend the national veto on defence matters, this will bring the federalist dreams of the EPP-ED for a European Army up short.

Dr Liam Fox is the Conservative Member of Parliament for Woodspring and Shadow Secretary of State for Defence.

Why VAT Fraud is Now Costing the UK Taxpayer Billions

by Mark Francois, MP

Missing Trader Intra-Community or 'MTIC' fraud, which stems from manipulation of the European VAT system, is a growing problem and one which now costs the UK taxpayer at least £2 billion per year – and probably much beyond that.

MTIC fraud was defined in 2001 in a joint HM Treasury/Customs & Excise paper on 'Tackling Indirect Tax Fraud' in the following terms:

"*VAT intra-community missing trader fraud is a systematic criminal attack on the VAT system, which has been detected in many EU Member States. In essence, fraudsters obtain VAT registration to acquire goods VAT free from other Member States. They then sell on the goods at VAT inclusive prices and disappear without paying over the VAT paid*

by their customers to the tax authorities. The fraud is usually carried out very quickly, with the fraudsters disappearing by the time the tax authorities follow up the registration with their regular assurance activities."

In the last few years the fraud has evolved and its newer variant is now popularly known as 'carousel fraud.' In this version, the goods are usually sold through a series of companies in the UK and then re-exported to another Member State. The fraudsters make their money by reclaiming VAT on the transactions, which in some cases have not really taken place at all, and then 're-importing' the same goods VAT-free and selling them on again and reclaiming VAT on the purchases – hence the goods moving in a circular pattern, or carousel. Again, by the time that the authorities catch up with them, the companies have vanished into thin air, having pocketed the taxpayers' money in the process.

Carousel fraud is now regarded as the dominant type in terms of loss of Government revenue. By its nature it has tended to focus on low bulk, high value goods, such as mobile phones and computer chips. However, there are indications that it is now spreading to other forms of merchandise, including items as diverse as razor blades, nappies and even patio heaters!

Extent of MTIC fraud

The problem has become so widespread that the Office of National Statistics (ONS) now adjusts our UK trade figures to take into account estimates of MTIC fraud. As the ONS rightly point out, by definition the extent of such fraud is difficult to measure accurately. However, in January 2006 HM Revenue & Customs (HMRC) officially estimated UK losses from MTIC fraud to be between £1.1 and £1.9 billion for 2004-05. Unfortunately, the situation appears to have deteriorated considerably since then.

This spring, the Government announced the first fall in VAT revenues since the UK started collecting the tax in 1973, largely because of a significant rise in estimated carousel fraud. In an article in the *Guardian* on 25 April, entitled 'Fears over fraud as VAT receipts slump' the paper quoted a Government source as saying: *"It is a growing problem that can't be ignored. It appears that the fraud keeps mutating to counteract the measures which we are taking against it.*"

In July of 2006, BBC *Panorama* screened a programme on the subject, which showed how one fraudster alone had defrauded the taxpayer of tens of millions of pounds. The BBC estimated the total loss to the Exchequer as in excess of £6 billion per annum. In August, *The Sunday Telegraph* also estimated the fraud at some £6 billion per year and stated that one known deal comprised 14 tons of mobile phones, enough to fill the cargo hold of a jumbo jet. The Government is due to officially update its own estimate in the 2006 Pre-Budget Report this November but, even now, HMRC admits that its 'operational feedback' suggests that the problem is becoming steadily worse.

The Government's solution – the 'reverse charge'

The Government's solution, as set out in Finance Bill 2006, is to introduce a so-called 'reverse charge procedure' for certain categories of goods. This is intended to combat the fraud by passing the duty to account to the Government for the VAT further down the chain to legitimate businesses. As the HMRC press release of 26 January 2006, which outlined this process, explained:

"*Under the reverse charge procedure, the suppliers of the goods do not account for the VAT on their sales when selling to other VAT registered businesses – instead, it is the responsibility of the purchaser of the goods to account for the VAT, although they can recover this VAT in the normal way. This means that HM Revenue & Customs is not put in a position where it may have to make repayments of VAT where the corresponding tax on the purchase has not been paid to HMRC.*"

A similar procedure was adopted some years ago to combat missing trader fraud in the gold bullion market, apparently with some success and the intention is essentially to apply the same here.

Too little, too late?

This is clearly a significant problem and something has to be done about it but there are still important questions which need to be asked, both of the Government and the European Commission. Firstly, why has it taken the Government so long to react to this challenge? The problem was identified in the HM Treasury / Customs & Excise paper dated 2001 which was referred to earlier, so why has it taken the Government some five years to try and act decisively against it?

Secondly, the solution depends on the Government obtaining a 'derogation' from the Sixth VAT Directive, in order to apply the reverse charge in a situation for which it was not originally envisaged. However, despite Treasury Ministers raising this issue on numerous occasions with the European Commission and at European Finance Ministers meetings (ECOFIN), at the time this article went to press the Commission, despite dropping hints, had still not given formal approval to the UK request.

In other words the Government has belatedly begun to address the multi-billion pound problem and has at least come up with a solution which has had some success when applied before but they are not being allowed to implement it, partly because of bureaucratic inertia within the European Commission. HM Opposition has repeatedly pressed Ministers on what their 'Plan B' is if the derogation is not granted but has been assured that it will be – just not yet!

Summary

The scale of VAT fraud against the UK taxpayer is growing and is clearly a sophisticated operation, carried out in many cases by organised criminal gangs operating in a systematic way across international borders, to an extent which now meaningfully distorts our trade statistics. The Government officially admits that – even a year ago – the problem was costing around £2 billion a year but most commentators agree that the fraud is worsening significantly and some estimates now put it at three times that.

Given that the Government has now finally sought to address the problem in a systematic way, it is rather galling that the European Commission has not formally approved the adoption of the proposed reverse charge procedure as a solution. The longer that this prevarication takes, the greater will be both the opportunity for the fraudsters and the loss to already hard-pressed UK taxpayers as a result.

Mark Francois is the Conservative Member of Parliament for Rayleigh and Shadow Paymaster General.

The EU's Impact on Education

by John Hayes, MP

Not satisfied with burdening business with red tape and encroaching on countless other aspects of people's everyday lives, the EU now also wants to dictate what our children learn.

The European Commission has decided it should play a pivotal role in determining the school curriculum. It has drawn up *"key competences for lifelong learning"* which would mean that pupils must be taught about the virtues of European integration. The EU recommendation imperiously states that, *"knowledge of European integration and of the EU's structures, main objectives and values is also essential, as well as an awareness of European diversity and cultural identity."* As my colleague Boris Johnson has said, this is an attempt to impose a European curriculum as part of an 'Orwellian' strategy to create a common EU identity. Correspondence between Geoff Hoon, Minister for Europe, and the Secretary of State for Education offer little reassurance. Alan Johnson has confirmed that the Government is considering lessons in the EU as part of the national curriculum.

The notion that pupils should be obliged to spend time learning about the EU is of itself unpalatable but it is even more bizarre given the Government's failure to ensure that school leavers are provided with the most basic skills they need to make their way in life. The CBI has recently reported that one in three employers have to provide remedial tuition in reading, writing and arithmetic. Until everyone leaves school able to read, write and count, nothing should be added to the curriculum to displace these basic skills.

It is not only through attempts to impose education policy that the EU has a direct impact on my brief. The Government's failure to address the growing skills deficit helps to explain why hundreds of thousands of people have migrated to Britain from the new EU states of Central and Eastern Europe. These predominately young and hardworking people often have the skills that we lack. But immigration is a palliative, not a cure, for the skills crisis. Not only does mass immigration strain our capacity to provide school places and housing, it also has an unpredictable affect on unemployment as recently released figures make clear.

As Damian Green, the Shadow Minister for Immigration, has said, when Bulgaria and Romania join the EU we should impose restrictions on immigration similar to those adopted by most EU countries when the previous 10 accession states joined. These controls would allow the entry of workers with particular skills our economy needs, without opening our borders to all comers.

By relying on immigration to plug the skills gap we risk reducing the life chances of many young people who have been failed by the education system. Only 51 per cent of our young people actually achieve the formal measure of 5 GCSEs at grades A* - C. The UK has one of the lowest levels of participation in learning by 17 year olds of any OECD nation. Young people who achieve 5 GCSEs at grades A* - C by age 16 continue studying, but many of those who don't become disengaged.

Yet improving the skills of the next generation of school leavers will not be enough by itself to solve the skills crisis. Increasingly, the policy agenda prioritises the needs of 16 to 18 year-olds and particularly the need to improve their basic skills, but this approach risks displacing and so disenfranchising other adult learners. The Government's target culture – as in so many other areas – has perverse effects, obscuring the need to encourage hard-to-reach groups back into learning. These issues are critically important, reengaging with education and training is a key to securing Britain's future economic success. With fewer young people entering the workforce, up-skilling and re-skilling the existing working population has become increasingly important. Over 70 per cent of the 2020 working age population is already over the age of 16. As the Government's Leitch Review of Skills reports, in future the retraining of existing workers will become more important as the length of working lives increases.

We should also look at the role Further Education can play in building social cohesion. Education is not only about producing utilitarian economic outcomes; it is also about producing the sort of society in which we can be proud to live. Back in 1943, Rab Butler's White Paper on Educational Reconstruction stressed the contribution that education can make to democratic citizenship. In that era there was greater recognition of the contribution continuing learning can make to community life. We should be just as ambitious for our era by recognising once again that engagement in adult education leads to greater civic participation – improving the health of both individuals and the communities of which they are a part. Providing education for national democratic citizenship is altogether more important than crowding our school and college curriculum with thinly disguised propaganda for a nation called Europe.

John Hayes is the Conservative Member of Parliament for South Holland & The Deepings and Shadow Minister for Vocational Education.

Beware the Trojan Horse

by Gerald Howarth, MP

When the EDA was set up in 2004 I warned that, *"The new European Defence Agency must be designed to get best value for money from European defence budgets and not as another political tool to bolster continental designs to create a common, binding EU foreign and defence policy as envisaged by the EU Constitution."*

Whilst it is the case that Europe needs to assume a greater role in providing for its own security, this enhanced role must be sought through NATO. NATO already has the planning and command structures in place, it already has the resources and capabilities, and it has the experience which means it is best placed to provide for regional security in the future. Above all, it is the vehicle through which European security has successfully been delivered for over half a century.

European Security and Defence Policy began with unnecessary duplication. The elaborate plans for the physical duplication of command centres, etc., were only

abandoned after vigorous opposition from the UK and the US.

Those who take the view that NATO should continue to be the cornerstone of European security have always been deeply suspicious of the EU's ambitions in the area of defence, believing any initiative in this regard would be driven by a political agenda, not a military one. Indeed, President Jacques Chirac helpfully admitted as long ago as 1999 that the European Union "*could not fully exist until it possessed autonomous capacity for action in the area of defence.*"

The failure to create a Euro Army led to a review of how best to insinuate defence into the EU Project. The result was that procurement was identified as the most promising route because it was thought that, to a certain extent, equipment acquisition would attract far less attention because of its technical nature. Yet this is an area which has the potential to shape Britain's defence policy and ultimately create the interdependence which many in the EU seek to bring about.

The current Labour Government itself recognises the risk to our national sovereignty arising from a dependence on others for key defence equipment. In the foreword to the *Defence Industrial Strategy* published in December 2005 Ministers stated, *"In this Strategy, we consider carefully which industrial capabilities we need to retain in the UK to ensure that we can continue to operate our equipment in the way we choose to maintain appropriate sovereignty and thereby protect our national security."* The relevance of this is reinforced by the memory of the run up to the Gulf War in 1991 when the Belgians refused even to *sell* us ammunition because they disapproved of our decision to liberate Kuwait from Iraqi occupation.

There are some who believe that the Government has already adopted a clandestine policy of buying European at the expense of US kit, but the evidence is not there. The most expensive programme, the Joint Strike Fighter, is one in which the UK is an equity partner (through BAE Systems) with the US and recently a further C-17 airlifter has been bought from the US together with Predator UAVs.

Since the creation of the EDA, Nick Witney has stated, *"there is a broad consensus that we can't have all procurement programmes formulated on a solely national basis anymore."*[1] Further moves occurred last November when a decision was made by EU governments to establish a voluntary Code of Conduct for defence procurement to encourage more cross-border competition in an area which is exempt from the normal rules of the EU Single Market. This was implemented on 1 July 2006 and means that defence contracts worth more than €1 million will be advertised on a single electronic portal so companies across Europe can tender for them.

The fact is that for decades the UK has been engaged in collaborative programmes with our European partners, notably the Tornado and Typhoon fighters and Storm Shadow missile system which involve the Germans, French and Italians.

We should not forget that the UK was already the leading European defence industrial nation and has been long regarded as one of the most open defence markets in the world. Therefore, the EDA needs to concentrate on ensuring that the markets of France, Germany and elsewhere open up to British companies and that Britain is not forced to surrender industrial capability or independence in the interests of furthering the process of EU integration. Why not encourage the French to demonstrate their good European credentials by having their new aircraft carrier built in a British shipyard?

The prognosis is not good. European markets have so far been comparatively closed and in February 2006 Jane's 'Defence Industry' reported that the French Government is to grant French companies the right to issue poison pill strategies against hostile foreign bids.[2] Whilst France is leading the calls for a research fund and more collaboration, it remains unwilling to open up its markets to foreign defence contractors. Germany has also been accused in the past of supporting protectionist policies regarding its defence industry

It is generally recognised that research is vital to defence capability. Javier Solana stated earlier this year that research spending *"is a fundamental issue and the main raison d'être of the* [European Defence] *Agency."*[3] It is a matter of great concern that since Labour came to power in 1997 they have halved essential expenditure on research. Now the MoD is being asked to surrender more of its budget to the EDA with the benefits going to the EU and other Members States, regardless of their contribution.

For the UK, by committing ever more of the national research budget to a common fund, the seed is planted for future technology within the EU and of course access to intellectual property stemming from the research may become a problem. If the technology cannot be used independently, it would undoubtedly constrain future procurement in the UK. Furthermore, this Europeanisation of defence may inhibit British defence collaboration with the US and lead to difficulties accessing vital defence technology in the long-term. It makes more sense to continue with this arrangement rather than closing off our other relationships outside the EU.

The MoD is being asked to surrender more of its budget to the EDA with the benefits going to the EU and other Members States, regardless of their contribution

There is a strong case for maximising the industrial capabilities in Europe and making equipment which meets the need to defend our continent. However, we need to be vigilant to ensure that defence procurement and research are not used to further attempts at European defence integration as a political, not a military initiative. Those driving the development of an EU defence identity are less concerned with enhancing capabilities than with investing the EU with the trappings of a nation state. They have a Parliament, they have a supreme court, and they have an anthem, a flag and a currency. Add a common foreign and defence policy, and a Constitution, and you complete the jigsaw.

1 EDA Chief Nick Witney, "On a Mission to Stop Defence Business as Usual." www.eurativ.com. 20 February 2006

2 *Jane's Defence Weekly,* "French Industry's Poison Pill to Stop Takeovers" written by James Murphy. 23 February 2006.

3 Javier Solana, Head of the EDA at the Research and Technology Conference Brussels, 9 February 2006.

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Time for New Partners

by Lord Howell of Guildford

We might as well face it. British foreign policy is now in limbo. There it will remain until Tony Blair finally goes, until President Bush – or maybe his successor – somehow constructs a recovery strategy in America's Middle East policy and until the 'renaissance of re-thinking' about Britain's own position – which Blair himself, in a breath-taking act of self-disassociation on a Walter Mitty scale, has called for – gets under way. Whether this happens once Blair is replaced we do not know, although there have been hints from the Gordon Brown camp that he might marginally distance Britain, in some unspecified ways, from the ever-receding Bush dream of 'A New Middle East'.

The original idea, it will be recalled, was for Britain to be a bridge, (or was it a pivot?) between America and Europe. But the bridge, if it ever stood up for a moment, is now a crumbling heap of concrete on the riverbed.

On paper it looked good, like so many Blair designs. Britain would be a fully signed up member of the EU's Common Foreign and Security Policy and at the same time *numero uno* in Washington, the unswerving friend from across the Atlantic. The bridge structure would wonderfully link the two.

The design was never going to work because the anchor points either side would never have supported it.

On the US side, for all the protestations that Britain was, or is, America's trusted and equal partner, that was never the Bush team's view. It was nice to have Britain on side and Blair was a great guy, and so on. But the Americans needed no middleman to interpret Europe to them. They could see for themselves the virulent anti-Americanism in 'old Europe' and they anyway believed – wrongly, as it turns out – they could manage alone.

On the European side there was – and remains – disunity. The rhetoric is plentiful but the reality is slim. The EU's Common Foreign and Security Policy, which leading EU Ministers continue to describe daily as being essential to secure Europe's influence on the world stage and which our own Foreign and Commonwealth Office still regard as their foreign policy priority ('working through our European partners', etc.), is a feeble instrument and little interested in protecting and promoting Britain's real interests, or enabling Britain to make its most effective contribution to global peace, stability and development.

Quite simply, while effective foreign policy needs partners and allies – more so than ever in this network age – our main European neighbours are the wrong partners and the CFSP ties us into the wrong partnership. If the capsized EU Constitution is dragged up and re-floated, as is clearly planned, the CFSP will be right there intact on the foredeck. Britain should stay as clear as it can.

The most obvious reason for this is that on most of the key international issues no coherent common EU position exists. With 25 marvellously diverse nations, and 25 different perspectives on the world, anything pushed through the CFSP filter is bound to be muffled, fuzzy and a fertile source of misunderstanding. This is so whether the issue is Iraq or Iran or Israel–Palestine or Lebanon, or Russia and how to handle Mr Putin, or China and weapons, or Turkey and enlargement, or the UN, or above all, how to talk to the Americans.

Transatlantic relations have now fallen to their lowest point for decades. Far from the EU calming and clarifying transatlantic disputes by speaking with one clear voice, it seems to be amplifying them so that what were once containable second class differences are being elevated into damaging first class rows. Despite Peter Mandelson's protestations, and no doubt sincere efforts, the Doha round was sunk by the very existence of what the *Financial Times* described as *"thirteen or fourteen EU Member States, periodically orchestrated by France."* None of this was, or is, at all in Britain's interest.

But there is a deeper reason for looking for something better than CFSP as a foreign policy vehicle.

For all its armed might, America desperately needs real and trusted friends, not just to fulfil its awesome world responsibilities but to deliver security to its own citizens. Even the go-it-alone warriors in Washington are now coming to recognise this.

Less easy to swallow in Washington is the fact that true friendship and support mean more than tick-the-box compliance. True friendship means frankness, candour, criticism when appropriate (as long as its is basically constructive and not just born of ill will), complete mutual trust and respect and, even if occasionally, a restraining hand.

The EU does not get to Square One in any of these roles. The rhetoric of EU–US partnership may continue, but even if Javier Solana, the struggling would-be EU 'foreign minister', could articulate a common European policy towards the Americans, which he cannot, why should he get more than a cold nod from the Administration? Why should Washington give a respectful hearing to an entity which it sees – not without justification – as basically anti-American, sounding less and less like a friend and partner and increasingly like a constantly hostile bloc – a transatlantic neighbour from hell, picking a quarrel on every issue, large or small.

60 years ago Britain fulfilled the steadying partner and friend role – at least up to a point. Then there was Kennedy's twin pillars idea in the Cold War context, although it was never a phrase that could stand too much analysis. NATO, too, was going to be the binding link of equals.

But now all that is history and the question to be answered is where we look for the platform on which to gather a partnership or grouping which the American giant really will listen to and work with, and from which the world, and especially Britain, would so obviously benefit.

The starting point is to identify the countries which really are America's best friends, who are not all screwed up with anti-American resentments, and who would be comfortable with a solid two-way strategic relationship with the great superpower, not in a poodle capacity but at an equal and full-trust level.

A structure is to hand which could at least form the underpinning for such a platform. This structure, or network, is the 54 nation Commonwealth, which far from being a marginal institution, full of good works and nostalgia, is now emerging as the ideal model for international relations in the new conditions the world faces.

Today's Commonwealth now contains

thirteen of the world's fastest growing economies, including the most potent emerging markets. Outside the USA and Japan, the key cutting-edge countries in information technology and e-commerce are all Commonwealth members. The new 'jewel in the Commonwealth Crown' turns out to be the old jewel, dramatically re-polished and re-set, namely booming India, the world's largest democracy with a population set to exceed China's.

This presents a picture so far removed from the old image of the Commonwealth, bogged down in demands for more aid and arguments about South Africa (or latterly Zimbabwe) that many sleepy policy makers find it simply too difficult to absorb. The unloved ugly duckling organisation has grown almost overnight into a true swan. Or to use a different metaphor the Commonwealth of today and tomorrow has been described as 'The Neglected Colossus'. It should be neglected no longer.

A Wider Role than Trade

The new story should not just be about bread and butter matters and new economic opportunities staring us in the face. The Commonwealth needs to be re-assessed in terms of its real weight in securing world stability, in balancing the dialogue with the US giant, in linking rising Asia and the West, in helping to handle the prickliest of issues such as the Middle East and Iran, in promoting better development links, in bringing small and larger nations, poorer and richer, together on mutually respectful and truly friendly terms and in bridging the faith divides which others seek to exploit and widen.

In all these areas the Commonwealth, reformed, reinforced, built upon and enlarged, offers, as the Indian Industry Minister Mr Kamal Nath wisely perceives, *"the ideal platform"*.

But, it will inevitably be asked, how can such a disparate and scattered grouping possibly be a force and a weight in these dangerous and contentious areas? Who will take the lead? Where is central control going to be?

To understand the answer to these questions requires the biggest shift of all between the 20th Century and the 21st Century mindset over foreign policy matters; a shift, which many still find impossible to make.

In the 20th Century the solution had to be in terms of blocs, consolidated organisations, centrally controlled in the name of efficiency, organisational pyramids, perhaps with some delegation, but basically radiating down from a superior and central point. If the nation state would no longer do, then a larger structure, a nation state writ large, should replace it.

All this has now been invalidated, not only in business but in governmental affairs and in relations between countries and societies. Thanks to the extraordinary power and pervasiveness of the information revolution, we live in an era now not of blocs and pyramid tiers of power and management but of networks and meshes, both formal and informal.

By accident as much as design the Commonwealth emerges from a controversial past to take a perfect place in this new order of thinking and acting. The fact that the Commonwealth now has no dominant Member State, or even a coterie of such states, far from being a weakness is now a strength.

Because the Commonwealth is founded on respect for nation states, each following its own path, yet recognising the imperative of interdependence, constant adjustment can take pace to new challenges, with a web of partnerships and coalitions being swiftly tailored to each new scene.

This answers three dilemmas which Britain faces.

The first is that people want more than ever in an age of remote globalisation, to develop their own identities, to have countries and localities to love and defend and take pride in. They recognise the fact of interdependence but they long equally for ownership and a degree of independence. Superior ideas of supra-national government and super-states, along with sweeping dismissals of the relevance of the nation state, can play no part in resolving these deep and competing needs, and indeed utterly fail to do so when imposed by well-intentioned integrationists, as in the case of the EU.

Second, rigid bloc alliances cannot keep up with the kaleidoscope of change. This is what Tony Blair and his close colleagues have painfully discovered. The more that the European Union tries to draw its members into a rigid and unified political and military bloc the less effective it becomes. The more that the world is seen as clinging to a structure of blocs established in rivalry to each other the more the real criss-cross network of bilateral linkages between nations is neglected. Yet it is just this new and more flexible pattern, which provides by far the best guarantee of stability and security.

Third, the new texture of international relations is made up not just of inter-governmental and official contacts but of a mosaic of non-governmental and sub-official agencies and organisations. This takes time to grow, but grow it has under the Commonwealth canopy into an amazing web of organisations and alliances between the professions, the academic and scholastic worlds, the medical, educational, scientific and legal communities and a host of other interest groups linked together across the 54 nation Commonwealth Group.

Filling a Dangerous Vacuum

The tragic decline of America's 'soft power', reputation and influence almost across the entire globe is leaving a dangerous vacuum. Into this vacuum, cautiously, subtly, but steadily are moving not the Europeans, with their slow growth and their inward-looking mentality, but the Chinese – with cash, with investment projects, with trade deals, secured access to oil and gas supplies in an energy hungry world, with military and policing support and with technology. A replay in reverse of the 14th Century is unfolding, when China retreated in on itself and Europe reached outwards to every corner of the planet. Now it is exactly the other way round.

The vacuum is one which ought to be filled not by the Chinese dictatorship but by the free democracies of the Commonwealth, from both North and South, banded together by a commitment to freedom under the rule of law and ready to make real and common sacrifices in the interests of a peaceful and stable world and the spread of democratic governance in many different forms.

The Commonwealth possesses the vital attributes for dealing with this new world, which the old 20th Century institutions so conspicuously lack.

It stretches across the faiths, with half a billion Muslim members; it stretches across all the continents, thus by its very existence nullifying the dark analysis of a coming clash of civilisations.

Better still if a more confident Commonwealth now reaches out and makes friendly associations with other like-minded nations, both in Europe and Asia. Japan, with some 12 per cent of the entire world's GNP, and with its confidence and dynamism now restored, is ready to make links with the Commonwealth, especially

with India and Britain together. Poland and some other Central European nations long to have association with a grouping less parochial than their own local European Union. Even Russia, despite its prickly inward-looking mood and latent nationalist sentiments, could yet emerge a good democratic partner of like-minded nations inside the Commonwealth club.

To do this, the Commonwealth Secretariat should be encouraged to develop its external wing in a much more powerful way than hitherto and perhaps have a nominated high official to work with the Secretary General and act as the Commonwealth's High Representative.

Make such an emboldened Commonwealth the central platform of the international future and there will then be an enlightened and responsible grouping on the planet, ready to be America's candid friend, but not its lapdog – a serious and respected force, both in economic and trading terms and in terms of upholding security and peace-keeping.

An enhanced Commonwealth should also spread its wings on energy issues. At present there is no global forum in which a variety of free nations, rich and poor, but all faced with the same problems of staggeringly high oil prices, all faced with energy security challenges and all faced with the much longer term need to curb carbon emissions and create a greener and cleaner long term environment, can meet together, exchange views and technologies, and develop some common clout in face of OPEC and the other giant producers. The Commonwealth should fill that gap, too.

A Key UK Priority

This is the body, the strengthening of which our own UK should now make its key foreign policy priority and together with which it should re-build its own foreign policy priorities. It should do so because this route offers by far the best way both for a nation such as ours, with our history and our experience and skills, to make a maximum contribution to meeting the world's many ills and, even more, because it is the best way to promote and protect our own interests worldwide.

In particular the UK should consider transferring the administration of that part of its overseas development effort, which at present goes through the EU from that unhappy channel to the Commonwealth system, and encourage both other Commonwealth members to do likewise and the Secretariat to develop the full capacity to handle this role. This single move would give the Commonwealth huge new prestige and resources, direct our aid efforts far more effectively to poorer Commonwealth Member States, who are our closest friends and to whom we owe the strongest duty, and greatly strengthen the UK's own prestige and effectiveness in the global development process.

And when the Prime Minister calls for children here to be taught a 'greater sense of British identity', it should really be 'British and Commonwealth identity'. That alone conveys the broader and outward-looking sense of interdependence and duty, which is the true message with which young British children should carry in today's world.

Of course we must always be the best possible local members of our European neighbourhood – as, incidentally we nearly always have been, although some people forget this.

But Europe is no longer the world's most prosperous region. It is our duty to build up our links, many of which were so strong in the distant past, with what are becoming the world's most prosperous and dynamic areas of the world, but also with the smaller nations as well as the large ones, the struggling poor ones as well as the rapidly industrialising and increasingly high-tech ones. This is what an enlarged Commonwealth can do for us in a way that the European Union can never do and for which it lacks the reach and the right basic policy structure.

That is why Britain's external relations priorities need major re-alignment. And that is why a symbolic re-christening should now take place. The home of our able and experienced diplomats should be re-labelled the Commonwealth and Foreign Office – the CFO not the FCO. Small changes can signify a lot.

The Rt Hon. Lord Howell of Guildford is the Lords Deputy Leader of the Opposition and Shadow Spokesman on Foreign Affairs.

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The Food Supplements Directive – Lessons to Learn

by Stephen O'Brien, MP

From my current experience in shadowing health matters (which even readers of the *European Journal* might be forgiven for thinking had no relevance to European legislation and policy, health being reserved to domestic policies and the legal and administrative frameworks of each Member State) let me give you a potent example of the potential of the EU to do harm to the safe potencies of some UK products, and the impotence of the UK Government to stand up for British interests. But, at the same time, let this example speak for itself: it does not need the shrillness that too often blunts the debate on the EU.

Few European issues have filled the postbags of Members of Parliament over the last few years quite so regularly as the Food Supplements Directive. The measure is intended to remove barriers to trade between Member States and create a single market in vitamin and mineral supplements. It has proved extremely controversial here in the United Kingdom, leading Conservatives at official frontbench level to put down a Motion 'saluting' campaign group, Consumers for Health Choice, on making the humble vitamin pill an issue of *"great national debate"*.

The controversy arises because of the law of unintended consequences, the desire of the European Commission continually to expand its areas of influence, and the genuine need to establish a free market by removing barriers to trade. In short, there is a clash of political cultures, legal traditions, and regulatory approaches.

Here in the United Kingdom we are free to act as broadly as we wish so long as the law does not provide otherwise. Elsewhere in Europe the legal tradition is the reverse. In practice, we have a Food Safety Act which provides that manufacturers of food products must produce goods which are safe and appropriately labelled. They will be prosecuted if they fail to do this. The result has been a thriving health food industry providing a wide range of safe and popular supplements, used by millions of consumers, over many years, and with no evidence of any harm.

Elsewhere in Europe, particularly in France and Germany, the approach has been more restrictive with only very low potency and very limited ranges of supplements being allowed on general retail sale.

The paradox, therefore, is that a harmonising measure like the Food Supplements Directive can genuinely be delivering some relaxation of market restrictions in other Member States, so opening up markets that may be entered by UK businesses, whilst simultaneously imposing burdensome and unnecessary restrictions on the UK market, threatening many specialist manufacturers and retailers, and curbing the choices for health improvement of millions of UK consumers which, hitherto, they have been at liberty to exercise.

All European legislation is inevitably a compromise and there is good and bad within the Food Supplements Directive. What concerns me is that on this occasion the Commission and the Council have misjudged the issue. They could have removed barriers to trade through this Directive allowing companies to sell one generic product throughout Europe (albeit possibly at lower potencies and with restrictions on the range of ingredients) without denying individual Member States the right to permit onto their own national markets products which lie outside the otherwise restrictive terms of the regulatory environment that it introduces.

Our hospitals are not full of patients suffering from vitamin poisoning – in fact just the reverse. In many cases they are full of patients who, due to inadequate hospital and home diets, are suffering from a wide range of conditions associated with nutritional deficiency. So, we can rightly question whether this legislation was really necessary at all. But the Commission exists to regulate, therefore it regulates, as Descartes would have said. Member States and the Commission are now faced with implementing legislation that causes deep concern to many consumers who fear that popular, market tried and tested products will be removed from the shop shelves.

Ironically, this will do nothing to increase consumer protection. Faced with the loss of reputable high street brands, consumers determined to source their favourite products will turn to the internet and overseas mail order suppliers. They will be importing products over which in practice there is no quality control guaranteeing correct composition, acceptable hygiene, or freedom from contamination.

At this late stage in the process, the scope for influencing the legislation is limited to its interpretation. What the UK Government must now do, and to date has demonstrably failed to do, is convince the Commission and the other Member States that flexibility should be allowed so that the United Kingdom in particular is not forced to remove from sale products which are accepted as safe and appropriately labelled, which are popular with consumers, and which are accepted in some cases both by Government and nutritionists as helping at risk groups achieve and maintain good health.

And the Food Supplements Directive is not an isolated example of adverse impact from European legislation in the sector. Whilst clearly intended to address real problems, in other Member States similar difficulties are in practice now being found with the Proposed Regulation on Nutrition and Health Claims Made on Food, the Traditional Herbal Medicinal Products Directive, and anticipated legislation on Sports Nutrition products.

Against this background of repeated problems with sectoral legislation there are bigger lessons to be learned both by the British Government and by the European Union if public confidence in both institutions is not to be further eroded by the legacy of these measures.

The Commission should:

- not bring forward measures unless there is an overwhelming need for it to do so either to protect public health or to remove barriers to trade;
- consult widely, particularly with smaller and specialist businesses, about the impact of possible legislation and ensure that they do not proceed unless the impact is proportionate to the perceived problem;
- take fully into account by direct involvement and engagement the rights of the consumers of the products or services in question (or should I say citizens) before any decisions are taken;
- permit local differences away from the

'lowest common denominator' of agreement.

The British Government should:

• engage (as it has failed to do under the current administration at the earliest stages) with such legislation to ensure that only truly necessary and proportionate measures are brought forward;

• develop more effective lobbying skills and deploy the necessary resources at political and official level to influence the thinking of the Commission and Council before final proposals are adopted;

• engage more deeply with the specialist sectors and their consumers to identify more clearly the unique British interest and defend it more robustly in Europe.

As things stand at present (putting aside questions of constitutional change in future) we ignore the workings of the European Union at our peril; and, as the Food Supplements Directive and other legislation in the sector has shown, we compromise our consumer choices, our citizen's freedoms and the success of our specialist businesses if we do not curb its expansion into every area of our national life, or if we fail to invest the political or practical resources necessary to influence its decisions.

Stephen O'Brien is the Conservative Member of Parliament for Eddisbury and Shadow Minister for Health.

The EU and Road Safety

by Owen Paterson, MP

The political establishment frequently dismisses the issue of 'Europe' as an irrational fixation of a number of obsessive Conservative and Labour politicians. It is only thought to impinge upon the average citizen when British civil servants 'gold plate' essentially benign and well-intentioned European regulations with excessive zeal. There is often a purblind refusal to acknowledge that, since Maastricht and its successor treaties, huge swathes of public policy are no longer decided by elected Members of Parliament. The life of every single man, woman and child is now affected by our new system of government.

This was brought home to me when in Spring 2006 it was my job to represent the Opposition during the passage of the Road Safety Bill (Lords) through its Committee Stage in the House of Commons. We soon came up against the doctrine of the 'occupied field'. This arcane provision means that, once the EU acquires a power in any particular policy area or 'field', a Member State can no longer legislate in that 'field'.

The Conservatives approached the Bill with a strong commitment to road safety and decided to support its main provisions. Having listened carefully to a wide range of road users, we decided to introduce a series of constructive amendments, tightening up safety where there was real evidence of a need. We rapidly collided with the 'occupied field'.

One of those was a proposal to make 'blind spot' mirrors on all HGVs mandatory. There have been a number of accidents caused by continental lorry drivers driving left-hand drive vehicles with no mirrors on the right-hand side, so that they are effectively driving blind on British motorways and dual carriageways. I introduced a new Clause 15, requiring that, *"All HGV vehicles, operating in the UK, must have a mirror positioned on the exterior of the vehicle on the passenger side, which enables the driver to have a full view of vehicles and other road users in the neighbouring lanes, when driving on all roads in the United Kingdom."*

I cited the case of the wife of Julian Brazier, MP for Canterbury, who had been forced into the central barrier when overtaking a Hungarian lorry on the M2 – very near the constituency of Dr Stephen Ladyman, the Minister of State for Transport, who was taking the Bill through the Commons on behalf of the Government.

The young Hungarian driver was aghast and horrified at what had happened. His lorry was completely legal according to Hungarian regulations but did not have a wide-angled mirror fitted to the passenger side of his lorry. As a result, he simply did not see her.

The important issue here was that an EU Directive was already in force making it compulsory for all new heavy goods vehicles to have wide-angled mirrors from 26 January 2007. Furthermore, Holland and Belgium had already gone down that route and sought permission from the Commission to make it compulsory to fit Class 4 wide-angled mirrors to all HGVs.

Analysis had already shown that the retro-fitting of mirrors had been effective and there was clear anecdotal evidence of the danger. The Directive as it stood was simply not good enough, as it would apply only to new vehicles.

The idea was supported by David Kidney, Labour MP for Stafford, who recounted his own horror story. A constituent of his had told him he was lucky to be alive because when driving home on the motorway he had been overtaking a lorry from Turkey which pulled out and struck his car, turning it round completely. He found himself driving at 70 mph in the wrong direction down the middle lane of a three-lane motorway.

Despite all this, Dr Ladyman advised the Committee against accepting this new Clause. It was not, he said, because he believed I was wrong in identifying this as a very real issue. All Kent MPs were aware of the problem. However, he added, *"it is more complex than the hon. Member for North Shropshire realises."*

That 'complexity' turns out to be EU law and the 'occupied field' doctrine; because of that, the Minister said, we cannot enforce any requirement on foreign lorries. We could require it for our own lorries when they go abroad but it would not help with foreign lorries coming into the UK. All he could offer was the assurance that the Commission had identified a problem and had started a consultation on how to insist on retro-fitting. However, he could give no indication as to when the issue would be resolved.

Dr Ladyman concluded, *"The Hon Gentleman may regret it, but in this area the Commission has competence. The structural requirements for vehicles are a matter for the EC. We can require things to be done on our own vehicles, and that is probably what the Dutch have done, but we cannot require changes to be made to every vehicle entering the country."*

Another amendment was a highly technical proposal requiring all HGVs to be fitted with an audible warning system which sounds if the driver exits the vehicle when the brakes are not applied.

The need for this had been brought to my attention by a number of experienced hauliers. I had learnt that approximately seven people a year are killed in accidents involving a driver hitching the tractor unit of a semi-articulated trailer to a stationary trailer.

When the airbrakes have no air, they are applied; a parked trailer in the yard will be safe and secure with the brakes on because there is no air coming through from the tractor. However, when the tractor unit is reversed up, the driver will sense a big clunk as the big, greasy black disc – the fifth wheel – connects to the coupling on the trailer. At this point, the driver should apply the handbrake so that when the airlines are connected and the airbrakes come off the trailer, the whole united vehicle remains immobile.

Unfortunately, this often does not happen. Instead, with the trailer airbrakes still not connected and because the driver feels that the unit is stable, he jumps across the catwalk and connects the suzie hoses that introduce air to the airbrakes. Immediately, the airbrakes come off. At that point, because the handbrake is not applied and the air takes the trailer brakes off, the whole unit begins to move.

For self-preservation the driver should sit tight but all too often he jumps down, frantically scrambling for the cab to try to apply the handbrake in the vehicle. Alternatively, the whole unit runs backwards and crushes someone else in the goods yard. Both these actions can be fatal.

For that reason, I was proposing an alarm to be fitted to every heavy goods vehicle so that when the driver jumps down from the cab without the brakes on, an alarm goes off – a simple, common-sense solution proposed by the industry. Again, the costs were modest: about £100 on a rig that may cost £100,000.

Dr Ladyman listened carefully and admitted he was unaware of the problem. However, he said, "*the sort of regulation that he suggests cannot be introduced unilaterally in the United Kingdom; it would have to be a matter for European-type approval.*" So, once again, his solution was "*to work with the Commission and with European colleagues*" to "*make them realise the benefits of including the provision in future changes to regulations.*"

However, it was not only Conservatives who introduced amendments. Dr Brian Iddon, the Labour MP for Bolton South, also proposed one, which we strongly supported, as it was almost identical to another of ours. This was to require, by 2007, the compulsory fitting of retro-reflective tape markings on HGVs in order to reduce side collisions.

Here, there was already an EU law in preparation, a technical specification had been agreed and the tape was commercially available. But the law was not expected to come into force until 2011, while – according to the Transport Research Laboratory – an estimated 30 to 34 occupants of cars are killed every year in collisions with the tail end of HGVs and another 40 to 44 people are killed in side-on collisions with HGVs. There are also many serious injuries.

I explained that according to the University of Darmstadt, the retro-reflective tape had a proven record of reducing such collisions at night by 95 per cent. According to my calculations, at the rate of 385 a year there would be 1,540 more collisions if we did not introduce this measure until 2011, when the EU was expected to make it mandatory.

There was cross-party support for earlier introduction and Conservative MP Henry Bellingham had a particularly strong reason to be in favour. His stepfather had been killed when travelling south on a dual carriageway section of the A1. He had driven under a lorry that was squatting in the central reservation with its trailer in the fast lane on an unlit section. No one travelling at 70 mph could have stopped in time. What was more, the industry was in favour, the cost was modest – about £100 per vehicle – and the application of the tape could be arranged easily and quickly. There was no case for any further delay in a measure which had been in the pipeline for years.

Once again however, Dr Ladyman opposed the measure. A 'persuasive case' had been made, he agreed. But, while the Government could permit the use of the tape, it could not make it a requirement, "*because of obligations under United Nations Economic Commission for Europe measures and EU directives.*" We could not, he added, "*make any unilateral requirement of vehicles in this country.*" If we were to change the legislation in the way suggested, "*our partners in the European Union would certainly object and take infraction proceedings against us.*" The Amendment and the Clause were "*redundant and perhaps illegal … we would certainly be breaking EU law and proceedings would be taken against us.*"

It was left to Dr Iddon to remark that he was "*tempted to break certain European laws because they are barmy.*" His personal opinion was that, "*Britain should be given the chance to go ahead on these sorts of issues unilaterally without having to wait for the rest of Europe to join us.*"

Both Members of Parliament and the Minister were prevented from making laws in our own Parliament, which would have indisputably saved lives, because in 1990 we had given away our power to legislate on road safety

In all three proposed amendments, where there was no dispute about their merits – and widespread support for them – the EU doctrine of the 'occupied field' intruded. Both Members of Parliament and the Minister were prevented from making laws in our own Parliament, which would have indisputably saved lives, because in 1990 we had given away our power to legislate on road safety.

We are not dealing with 'Euro-myths' or Eurosceptic scare stories about things which might happen in the future. This is 'here and now', the ordinary, boring business of Parliament, going about its routine of making and amending laws, to make Britain a safer place. Here is the real justification for Bill Cash's Disapplication Amendment to the Legislative and Regulatory Reform Bill. This would allow Parliament to override the European Communities Act 1972 when making domestic legislation. This Amendment, voted down by the Government, had the full support of the Conservative Party leadership and was officially whipped in both the Commons and the Lords. Had we been able to use this Amendment, we would have been able to save lives in the Road Safety Bill (Lords).

Owen Paterson is the Conservative Member of Parliament for North Shropshire and Shadow Minister for Transport.

A Land Fit for Heroes?

by Laurence Robertson, MP

As I stand at a war memorial every Remembrance Day I am full of sadness and a sense of waste – the waste of human lives, the waste of the destruction of families, the waste of resources and energies. Yet the war effort, particularly in 1939-45, wasn't a waste if democracy was preserved, and there can be no doubt that those brave men and women who made the supreme sacrifice on our behalf saved at least Western Europe from dictatorship.

But as the *Last Post* is played each year, I cannot help but wonder how the fallen would feel if they viewed this country today. Perhaps they would be grateful that Europe is at peace and, if that is the result of their sacrifice, then it was worthwhile.

I can understand that sentiment but I would dispute that it has been the creation of the European Union which has brought about peace in Europe. After all, we are not involved in a similar union with Japan or America, for example – two countries we have also fought against – yet we are not at war with either of them. Indeed, the last time we fought America was when we *were* in an alliance with them, in 1776!

I do, therefore, think that many of our war heroes would look at our country today and be deeply offended by the fact that we have given so much of our right to self-government away. After all, wasn't it to preserve democracy that these heroes fought against the evils of dictatorship?

I think that many of our war heroes would look at our country today and be deeply offended by the fact that we have given so much of our right to self-government away

The British Empire was the greatest the world has ever seen, spanning a quarter of the world's population. Now, we cannot even inoculate farm animals against Foot and Mouth Disease or lower our rates of VAT without first obtaining permission from Europe. Is that the kind of country our war heroes fought to bring about? I cannot believe it was. What happened to the promise of creating a land fit for heroes?

I have two basic objections to our membership of what the European Union has become. The first one I have already referred to – the fact that we are, on a daily basis, losing more and more of our sovereignty. I used to sit on the European Scrutiny Select Committee in the House of Commons. This name is, however, a misnomer because actually there is no effective scrutiny of European legislation in the House of Commons. This Committee meets in order to go through the motions of scrutinising what comes from Europe. On one occasion, we sat for two – yes, two – minutes and went through sixty-five items coming in from Brussels. Sixty-five items in two minutes. And that Committee meets every week. That gives you some idea of the scale of the problem.

Of course, many of those items were small, as are acorns, but like those seeds, they grow big and become objects that are very difficult to remove. And so it has been with the EU. When we joined the European Economic Community in 1973, we were assured by the then Prime Minister, Edward Heath, that – *"I hardly need say"* – our joining would involve no loss of sovereignty.

At the referendum in 1975, we were given two further, crucial assurances, in writing, by the then Prime Minister, Harold Wilson. He sent pamphlets to every household in Britain, assuring us that the British Minister would always have a veto over anything proposed in Europe, and that the threat of economic and monetary union had been removed.

Now, we belong to a Union which has its own flag, its own anthem, its own Parliament, its own secretariat, its own Court, its own currency, its own passport, its own driving licence. Yet we are still told by the Europhiles that federalism isn't on the agenda!

Like many people, I believe in democracy. And I believe that democracy only exists when people elect those who govern them. Sounds simple, doesn't it? Yet that state of affairs no longer exists in the United Kingdom because European law is superior to our own.

So I believe in the sovereignty of the UK for its own, democratic sake. But I also believe that, as a sovereign nation state, we are more likely to be economically successful than if we are submerged in the EU. That we will achieve greater competitiveness, greater growth, more jobs and therefore more prosperity if we are able to take our own decisions in our own Parliament. This is my second objection to our membership of what the EU has become.

We will achieve greater competitiveness, greater growth, more jobs and therefore more prosperity if we are able to take our own decisions in our own Parliament

As things stand, farmers are paid not to farm, goods coming into the EU have tariffs applied to them, goods leaving have subsidies given, growth is sluggish, unemployment is relatively high and world trade talks have stalled partly as a result of the EU's approach.

So not only have we lost sovereignty, but we have lost our competitive edge as well. But as I've argued, I believe that one inevitably leads to another. That the less democracy we have, the less prosperity we will have. We wouldn't lose our European markets if we left the EU. Norway exports a higher percentage of its goods to the EU than we do, and they are not even members of it. Trade is a two-way thing.

So, as the number of our 1914-18 war heroes reaches single figures, what better tribute could we pay them than to say that we will avoid war with our European neighbours and allies, and, in your memory, we will preserve the sovereignty of the United Kingdom. The two go together – after all, democratic nation states do not go to war with each other.

Those of us who desire a sovereign United Kingdom are patriots but also realists. I believe in fully co-operating with Europe over trade, security, intelligence, the environment and a whole host of other things. But I don't want to be involved in governing any other European country and I don't want any of them to govern me.

Laurence Robertson is the Conservative Member of Parliament for Tewksbury and Shadow Minister for Northern Ireland.

Is EU Aid Effective?

by Mark Simmonds, MP

The European Union is accused of being an ineffective and inefficient aid channel because it does not target its assistance at the poorest people, it distributes aid inefficiently and has perpetuated poverty by blocking progress at the World Trade Organization negotiations.

Under David Cameron's leadership, international development issues have rightly come to the forefront of the Conservative Party agenda. Like myself, many in the Conservative Party are deeply committed to improving the opportunities for those in the developing world and having an impact on poverty. We are therefore dedicated to reaching the UN target of spending 0.7 per cent of national income on aid by 2013. We also support the ambitious targets of the Millennium Development Goals and urge the international community to do everything possible to ensure these targets are achieved. It was the last Conservative Government that led the way on providing debt relief for the developing world, and the modern Conservative Party continues this commitment to debt relief by supporting the Highly Indebted Poor Countries Initiative.

The European Union is the world's second largest aid donor. Member States spent nearly €45 billion on Official Development Assistance (ODA) in 2005. The EU also has a large influence on the development policies, procedures and programmes which affect the world's poorest people.

Approximately 20 per cent of Britain's aid money is distributed via the European Union; in 2006 this is likely to be around £961 million. The EU has proved its commitment to development assistance by reaching the target set in 2002 of spending 0.39 per cent of Gross National Income (GNI) on development aid by 2005 – a year ahead of schedule. Partially as a result of the momentum generated last year through Make Poverty History and Live8, the European Union Member States have together pledged nearly 80 per cent of the new aid promised by 2010.

However, despite these impressive statistics the EU has been repeatedly and vehemently criticised for being one of the least effective aid channels, with just 55 per cent of Overseas Development Assistance being spent in low-income countries in 2004. There are also still a number of Member States who are a long way from the reaching the minimum target of 0.33 per cent of GNI on ODA, including Italy which spends just 0.29 per cent, and Portugal, which in 2005 spent just 0.21 per cent. There are other criticisms of the EU and Member States' performance as aid donors, including continuing to tie aid to procurement of goods and services; ineffective and costly technical assistance; politically motivated aid allocation; and uncoordinated aid. Of greatest concern however is the unpredictability of aid; it has been calculated that just 70 per cent of pledged aid is actually delivered.

There have of course been European Union successes, with resources spent on worthwhile projects targeted at achieving the Millennium Development Goals, including increasing primary education enrolment in Burkina Faso by 25 per cent since 2000 and doubling vaccination rates for measles and yellow fever since 1998.

EU Member States have had a positive impact with initiatives such as the International Finance Facility for Immunisation (IFFIm), which has benefited from the significant leadership provided by the UK and is supported by the Conservative Party and which could ultimately prevent 10 million deaths.

It is my view that the criticisms of the EU are justifiable as despite these successes, the European Union's development programmes are widely criticised for inefficiently targeted aid, limited aid effectiveness and an unwillingness to reform its agricultural and trade sectors.

Inefficiently Targeted Aid

The EU has been heavily criticised for not targeting its development aid at the poorest people. Recent statistics from the Development Assistance Committee (DAC) of the OECD show that in 2004 just 55 per cent (2003 – 56 per cent) of European Overseas Development Assistance was spent in low-income countries. Although this is an improvement on the 2002 figure of 51 per cent, it clearly demonstrates that EU money is not as effective as the UK's bilateral aid, of which 83 per cent was spent in low-income countries in 2005-06.

Questions have rightly been asked about where this money has been spent if not in low-income countries. Analysis shows that 34 per cent of all EU aid money is spent in middle-income countries. The largest recipient of EU aid in 2004 was Serbia and Montenegro. Whilst I recognise that there is abject poverty in many middle-income countries it is important that the majority of EU aid money is targeted at the very neediest people in the world. I believe that we should improve this poor record by offering loans to middle-income countries whilst continuing to provide grants to low-income countries.

A report by a group of European NGOs[1] calculated that €13.5 billion – or almost one-third – of reported European ODA in 2005 did not provide any new aid for developing countries. Rather it was spent on debt cancellation, foreign students costs and refugees in donor countries. Whilst I do not underestimate the significance of debt cancellation or the importance of spending on foreign students and refugees, these do not have at their heart a commitment to alleviating poverty and achieving the Millennium Development Goals, and therefore under the terms of the United Nations 2002 Monterrey Financing for Development summit ought not to be counted as development assistance.

In the case of debt relief, €9 billion was spent in 2005 by the EU cancelling the debt of just two countries: Iraq and Nigeria. This accounted for 31 per cent of the UK's EU development assistance in 2005.[2] The debt cancelled was largely export credit debt, and therefore its cancellation does not provide the additional resources for poverty alleviation that the figures suggest, further reducing the proportion of EU development assistance that is reaching the poorest people.

Additionally, concerns have also been raised about the European Union's increased use of Direct Budget Support (DBS), whereby money goes directly into the recipient government's budget. Between 2001 and 2004 the proportion of EU development assistance given as DBS has grown from 14 to 30 per cent. I have long voiced concerns about the use of DBS by both the UK Government and the EU, as there is currently significant leakage, misappropriation and misallocation of funds away from the social sectors for which it was intended. My view is supported by a

significant and growing domestic and international concern about the misappropriation of resources; it is increasingly acknowledged that there must be greater incentivisation of Direct Budgetary Support and robust alternative channels for distributing aid if there are concerns about misappropriation.

Aid Effectiveness

The second area in which the EU has been criticised is the effectiveness of its aid spending. I am deeply concerned about programmes such as the EU Water Initiative (EUWI) which after four years has failed to provide water or sanitation to a single person in the developing world. This is despite significant efforts by the current Secretary of State at lobbying other EU countries to begin dispersing the €500 million fund.

We recognise that the UK Government has attempted to take the lead in improving European aid effectiveness and we welcome the establishment of EuropeAid to co-ordinate Member States' development aid. However in DfID's most recent annual report it conceded that despite showing signs of improvement in terms of "*speedier delivery and improved portfolio performance*" that "*results are … patchy, both within and across regions.*"[3] The EU and UK Government must encourage greater aid effectiveness by commissioning detailed comparisons between the effectiveness of all channels of aid distribution and re-assessing the distribution of British money accordingly.

Agricultural and Trade Reform

Aid and debt relief are vitally important in alleviating poverty; however, it is my view that reform of the world trade rules would result in the single largest improvement in the developing world. The European Union has been criticised for exacerbating poverty in developing nations by refusing to further cut agricultural tariffs or further reform the Common Agricultural Policy – actions which would open the world's markets to produce from the developing world and increase farm production in the developing world by $7.5 billion per year.

The Common Agricultural Policy harms developing nations' producers by encouraging over-production which in turn distorts prices and results in products being 'dumped' in the developing world, adversely affecting their domestic markets. We recognise that there cannot be free trade overnight, and there must be sequencing, however it is vitally important that all developed nations, and especially the EU, take steps towards removing these trade-distorting agricultural subsidies. Developing nations also have a role to play improving the climate for trade by ending harmful policies which prevent investment and growth, such as controlling interest rates below the rate of inflation, overvaluing the currency or granting subsidised credits to supporters.

Developed and developing nations must work together to address the imbalances in the world trade system. The British Government must continue to press its European partners for progress in the WTO whilst simultaneously working to improve the trading climate through policies such as 'aid for trade' and by establishing incentives to encourage regional and pan-continental trade.

A Conservative Approach

The European Union has been shown to be an inefficient and ineffective aid channel. Decisions about distribution of the British aid budget between the numerous aid channels are complex, and there are multiple factors that must be considered, including efficiency, effectiveness, sustainability and harmonisation. (It has been estimated that an average African country submits 10,000 quarterly donor reports every year.)

Of course, some of the ODA distributed via the EU is spent on worthwhile projects, but the question remains whether this money could be spent better and more effectively with a larger immediate impact via alternative channels, and the answer is currently unequivocally yes. Despite the EU aid being better spent than it was, there is still room for considerable improvement.

During the 2005 general election the Conservative Party made a manifesto commitment to increase British Government control over international aid spending, including pledging to argue within the EU for a re-alignment of its aid budget.

It is vital that efforts are made to reform the international system so it can overcome the challenges faced by the modern world, including climate change, fragile and post-conflict states, increased competition for depleted natural resources, corruption and international terrorism. The EU must decide how to address these complex and interdependent challenges, or whether they are best handled bilaterally or by other multilateral players such as the UN or the Bretton Woods institutions.

The United Kingdom, with its strong historic transatlantic and Commonwealth ties, must be allowed to maintain flexibility of social, economic and diplomatic arrangements, especially at a time of ever increasing and accelerating globalisation and international interdependence. Nowhere is this more important than in delivering overseas development assistance to the poorest people in the world.

1 Joint European NGO Report "EU Aid: genuine leadership or misleading figures?" (April 2006)
2 *Ibid.*
3 Department for International Development – Departmental Report 2006

Mark Simmonds is the Conservative Member of Parliament for Boston & Skegness and Shadow Minister for International Development.

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Regulation Without Rectification

by Lord Vinson, LVO, DL

The grand and sweeping dream of an ever closer European Union giving its citizens prosperity and security may be heady stuff to Foreign Office eagles soaring above the great masses. But to those on the ground the reality of the dream looks very different: bureaucratic, costly, corrupt, wastefully re-distributing taxed income back to its donors, regulating into every nook and cranny and profoundly undemocratic. The dream in reality turns into a nightmare.

The reality of the dream looks very different: bureaucratic, costly, corrupt, wastefully re-distributing taxed income back to its donors, regulating into every nook and cranny and profoundly undemocratic

Like many, I spent months of my life persuading people that to join the EU was a good thing – I now have deep regrets.

Of course I am not alone in changing my view, as every poll shows that the great British public is increasingly doing so. It is the endless frustrations caused by mind-boggling over-regulation which make one realise that harmonisation carried to the extremes should be better named *oppressive officialdom*.

The American War of Independence triggered on the slogan 'no taxation without representation'. They were frustrated in their inability to vote in and out of power those that taxed them.

Today we have 'regulation without rectification'. The total inability to change bad regulation which, even though recognised by an individual government, is impossible to unstitch by coordinating the views of the other EU members. Europhiles may argue that restrictive petty irritations are a small cross we have to bear for the huge benefits that Europe purportedly brings us. Like many, I find these benefits harder and harder to find while I do see the dis-benefits quickly affecting our economic efficiency and personal contentedness. Every industry can produce a myriad of tales of such frustrations.

One underlying cause is that EU law is written in Roman Law under which nothing is allowed except that which is allowed.

Hitherto British Law was written as Common Law under which everything is allowed except that which is not allowed.

In order to make the all-embracing Roman Law work in practice, it is interpreted under the over-arching principle that it has to be done so both proportionately and reasonably. Hence why the French and others have acknowledged *di minimis* levels of regulation and notorious flexibility in its interpretation.

EU documents written in Roman Law horrify our own lawyers, who because of their imprecision promptly proceed to tighten and gold plate them. The concept of *di minimis* – small and insignificant activity – being without the law, horrifies them under the precepts of Common Law. Thus the more the EU regulates the more the UK, like Gulliver in *Gulliver's Travels*, will suffer – *no one golden thread held him down but a thousand made him immobile.*

The grand concept of subsidiarity has, like many EU concepts, got no further than words

The grand concept of subsidiarity – letting nations do their own thing where it is sensible for them to do so – has, like many EU concepts, got no further than words. Recent parliamentary questions reveal that there have been no deeds. Nothing has happened under subsidiarity so far.

Amongst other things, I run a hill farm – but thanks to the EU my costs have risen wholly disproportionately. The following examples may sound small but one has to magnify their effects throughout the UK. They create inefficiency and criminalise activities – for no good reason certainly in the UK – that were hitherto perfectly legitimate.

For example, sheep, like all animals, occasionally die when they are not meant to. Every sheep farm had a hole in which they buried the sheep, covered with lime. All perfectly hygienic and non-polluting. But because some EU countries have a high water table where there is a chance of pollution, now no one is allowed to bury sheep. The extra cost per year for a small farmer, struggling to make a living, is thousands of pounds just to pay for their removal by an authorised carrier who has to come some 50 miles once a week to collect them for burial elsewhere. A missed opportunity for subsidiarity.

Then there is another horror. Farmers always lit a bonfire. There may be good reasons for banning the burning of old tyres, which should be recycled back into asphalt. Now the EU Waste Directive even forbids the burning of old polythene bottles which, when burned revert only to CO_2 and water. They have to be cleaned and stored and this action recorded before they are collected for disposal elsewhere. This adds hundreds of pounds a year, apart from the environmental cost of transport, which certainly pollutes more than a fire. Surely there could be *di minimis* levels of disregard, but no, it is now legally improper to burn plastic, even on your own hearth in your own home – making criminals out of all of us at Christmas as we dispose of the wrappings.

It is such regulatory stupidities that lead to a burning frustration for those on the receiving end of EU harmonisation.

The democratic deficit is manifest – if the UK ran its own affairs enough complaints would persuade the Minister or the department to do something about it. Now one feels helpless through the inability to right wrongs – regulation without rectification. For those on the front line of business – both in the city and industry – a myriad of tales can be told of the harmful effects of regulatory harmonisation. The greatest effect of all is increasing resentment of the EU which, unless put right, will lead to its demise.

That is why people *"love Europe but hate the EU."*

Lord Vinson set up the Centre for Policy Studies for Sir Keith Joseph and Lady Thatcher and ran it for 7 years. He was subsequently Chairman of the Institute for Economic Affairs. He is currently a trustee of Civitas

Drowning in the Unknown – The EU's Marine Policy and its Impact on the UK

by Bill Wiggin, MP

The overwhelming need to protect our marine environment while creating a framework for sustainable marine related industries to flourish could be seriously jeopardised by the European Commission.

In the last year the European Commission has unveiled its marine policy to clean up EU waters within 15 years to achieve a 'Good Environmental Status.' The Commission's proposed Directive is full of all the usual optimistic and ambiguous EU jargon about Member States co-operating within a 'common EU framework to address shared challenges' and 'establish common principles and approaches.' It also cautioned that the failure to do so would mean that, *"the marine environment would not improve."*[1] Nevertheless, with the devil being in the detail, the current proposals lack cogency and clarity.

Stakeholders have been left dismayed, confused and uncertain by the proposals and much criticism has followed. The most damning criticisms are that concepts such as 'Good Environmental Status' require further, more detailed elaboration; the costs and benefits of the proposal are unknown; and the draft Directive does not seem to be integrated into other relevant EU legislation, such as the Common Fisheries Policy and the Water Framework Directive.[2]

On top of these problems, the proposed Directive calls for Member States to establish geographic and environmental Marine Regions to achieve 'Good Environmental Status' which would also include co-operation with third countries. Nevertheless, it is not clear how countries will cooperate, how disputes will be resolved and how much extra bureaucracy would be generated. Effectively, the draft Directive could leave us drowning in an unknown amount of red tape.

These criticisms are justified and show that without serious revision, the Commission's plans are a recipe for failure as they would place a series of potentially unknown and unspecified commitments and burdens on the United Kingdom. While the proposals are currently under review and there has been a consultation process, the proposals were simply not good enough in the first place. To safeguard UK interests, during its recent EU presidency the Government needed to take a lead on these important issues. Unfortunately, this did not happen. The Government instead stood by while the proposed Directive was published by the Commission. Moreover, embarrassingly for the Government, they felt that the proposals, published while they held the EU presidency, contained *"considerable uncertainty over the benefits, costs and effectiveness of the proposed Directive."*[3] It is also possible that the Commission's eventual Directive could conflict with our own domestic attempts to manage our waters. As it is presently drafted, we simply do not know what the Directive will entail and its impact on our marine environment and economy. With the proposed Directive still looming, it may cast a shadow over our domestic attempts to improve our marine sustainability.

Britain is an island nation that is still dependent on the sea for much of its prosperity. Britain is surrounded by its territorial seas covering an area three times that of its land. Wherever you are in Britain, the coastline is never more than about seventy miles away. Our seas are rich with life, filled with tens of thousands of animal and plant species – it is a vital economic resource. As such, we must be prepared to begin the process of implementing our own marine management strategies that balance both the economic and environmental pressures on our seas and this is becoming evident with the slow progress of the production of a draft Marine Bill. Furthermore, the recent difficulties in balancing environmental interests with economic ones at Lyme Bay, and the Government's failure to take clear and decisive action, has served to publicly highlight the need for changes in the way in which we manage our seas.

The concept of a Marine Bill which will provide effective management of UK seas has been welcomed by all parties and is something that will require cross-party domestic consensus to succeed. At Westminster there is the willpower to produce and pass a Marine Bill which is also shared by the various interested groups. However, the same desire to manage the EU's vast waters may not be there from all Member States and the fact that the proposed Directive gives very little mention to the fishing industry proves this point. A Europe-wide Marine Strategy that does not seek to resolve some of the problems with current fisheries policy will only have a very limited affect.

While we will have to wait and see what exactly the Marine Bill will offer, we can still scrutinise our Government on its marine management policies and point out where it is going wrong. However, with this proposed Directive as presently drafted, it will be Brussels that will hold our Government to account and not the British people. Under the proposed Directive, our marine management plans will have to be approved by the Commission. Commissioners will decide whether our plans will be suitable or not and Commissioners will decide the destiny of our sea.

Parliament is keen to enact a Marine Bill as it will set an example for others to follow. It would also strengthen our credibility on these issues in Europe and put Britain in a better position to shape a sensible system of marine management throughout European waters. While we should endeavour to co-operate with all neighbouring countries on marine matters, we have to lead by example rather than allow ourselves to be subjected to EU-related delays, uncertainties and compromises. The sooner we establish for ourselves a reasonable, sensible and sustainable framework for all marine activities, the better it will be for the environment and for business.

1 Commission of the European Communities, 'Proposal for a Directive of the European Parliament and of the council establishing a Framework for Community Action in the field of Marine Environmental Policy (Marine Strategy Directive)', 13759/05, 25 October 2005, p.6.

2 RPA prepared for Defra, 'European Marine Thematic Strategy and Draft Marine Strategy Directive: Summary of Responses to the Public Consultation', May 2006, p.2.

3 House of Commons, Notice of Motion given on 6 February 2006, for 14 February 2006, European Standing Committee, 'Strategy for the Protection and Control of the Marine Environment'.

Bill Wiggin is the Conservative Member of Parliament for Leominster and Shadow Minister for Agriculture and Fisheries.

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Intelligence Digest

by John Laughland

Court of auditors accuses Parliament of waste

The European Union's Court of Auditors has attacked the European Parliament for wasting millions of taxpayers' money. In a 'Special Report on Buildings Policy', obtained by the German daily, *Die Welt*, the Court says that, "*between 1998 and 2004 the European Parliament paid around €6 million in rent for an empty building.*" The reason is that the Euro-parliamentarians moved out of the so-called Belliard complex into new buildings administered by the construction firm Espace Léopold. However, the old buildings were not taken over by the 'Committee of the regions' until 2004; in the meantime they stood empty. This is not the only reproach made against the Parliament. The auditors have also attacked what they say is a lack of long-term planning in the buildings policy of the European Parliament. This causes unnecessary costs. So, for instance, it is already clear that the new buildings now planned for the Parliament are going to be inadequate; because of EU enlargement, the Parliament now needs offices for 1,315 more people than before. This means that more expensive offices will have to be rented in downtown Brussels. *"Better planning would have led to better arrangements,"* the report says. It also says that the whole of the Parliament's buildings policy is bedevilled by this piecemeal approach. This criticism follows revelations earlier this year that the Parliament paid between €32 and 60 million too much rent to the city of Strasbourg. [Christoph Schiltz, *Die Welt*, 12 September 2006]

The auditors have also attacked the EU for wasting money on its rural development programme. In a damning report, the Court of Auditors attacks Commission officials for their failure properly to oversee how this money is spent. They have expressed particular concern at €60 billion spent between 2000 and 2006. Naturally, the members of the Euro-establishment have blamed the Member States for the waste. Markus Pieper, a CDU MEP and expert on the EU structural funds, has said, *"Mismanagement of EU funds can be avoided only when Brussels has more information about the way the money is used in the Member States."* The Court of Auditors examined 300 projects and found that the selection criteria were too vague and that the funds were therefore not properly targeted. The system does not have sufficient means of checking what has been financed and what has been achieved with the money. Much of the money does not even go to rural regions at all. For the coming budgetary period, the rural development fund totals €77.7 billion, with €300 billion being paid directly to farmers by the CAP. [Christiane Buck, *Die Welt*, 15 September 2006]

Euro Parliament buys its own building

The European Parliament has now decided to buy the building in which it meets once a month in Strasbourg. The property is being bought from the city of Strasbourg for €143 million. All MEPs travel from Brussels to Strasbourg once a month, together with their retinue of interpreters and assistants. The Parliament has a further seat in Luxembourg, where there are officials and translators. The cost of this yearly caravan (i.e. the removal of the 732 MEPs back and forth between Brussels and Strasbourg) is about €200 million. The President of the European Parliament, Josep Borrell, has asked the heads of state and government if his expensive and unpopular merry-go-round could be stopped by this request fell on deaf ears. Since there is no chance that Strasbourg will be dropped (France is adamantly insistent that it remain one of the Parliament's locations), the decision has now been taken to buy the building instead of renting it for €15 million a year. Margot Wallström, a member of the European Commission, said that the constant moving between Brussels and Strasbourg was *"nonsense"*. [*Frankfurter Allgemeine Zeitung*, 8 September 2006]

Bulgaria and Romania definitely in

Bulgaria and Romania are now on track to join the EU on 1 January 2007. Günter Verheugen, the Commissar for enlargement, said on 8 September, "*The decision-making process has come to an end. Romania and Bulgaria will join the EU on 1 January.*"

In fact, there are still some more formal hurdles for the two countries to jump over: the Commission is to insert safety clauses which will theoretically permit financial penalties to be imposed on the two countries if they fail to follow the dictates of Brussels on judicial reform and the fight against corruption. There are also concerns about the administration of structural funds (i.e. fears that the money will be stolen) and worries about environmental protection and food safety (i.e. the farms and food production factories are unhygienic). But the Commissars now say that *"significant progress"* has been made, even though they still intend to recommend to the heads of government that the safety clauses be inserted into the final agreement. Never before have two candidate countries been kept waiting until the last minute in this way. The safety clauses would allow financial aid to the two countries to be suspended if there were particular difficulties in their membership, for instance in the judicial system or in matters concerning the Single Market. Naturally, Sofia and Bucharest are rather cross at this treatment. The Bulgarian Government claims that it has implemented *"100% of the acquis"*. The two governments oppose the introduction of these safety clauses because they think that it will encourage the existing Member States to close their doors to Romanian and Bulgarian citizens who want to come and work in the old EU, i.e. in Western Europe. It is feared that even the British will not allow workers from these countries to come freely. [Philippe Ricard, *Le Monde*, 12 September 2006]

'Who is still afraid of EU enlargement?'

This question is the title of a report produced by a 27 year-old Hungarian specialist in EU law, Julianna Traser, which claims to show that Eastern European immigration into Western Europe has increased productivity and driven wages upwards. The report argues in favour of lifting the remaining restrictions on Eastern European immigration which most EU states introduced when the new Member States were admitted in 2004; the Austrians and Germans are terrified of allowing uncontrolled immigration from the East. The author denounces these controls as politically inspired, but her own reasoning seems largely political: she says that Western European states ought to have a more open attitude towards the East to prevent the EU from being *"artificially divided"*. Traser also claims to demonstrate that immigration has been good for the economies which have allowed it. Britain and Ireland are the two countries with the freest policies towards Eastern European immigrants but others (Finland, Greece, Italy and Portugal) have also lifted restrictions. [The report can be read at: www.ecas.org/file_uploads/1182.pdf See also *Frankfurter Allgemeine Zeitung*, 14 September 2006]

Euro Parliament gets difficult on Turkey

The European Parliament seems to be hardening in its attitude towards the prospect of Turkey joining the EU. The most recent report by the European Parliament is rather negative for Turkey's prospects. A strong minority on the Foreign Affairs Committee is of the opinion that the outcome of the accession negotiations which started in October 2005 is still open, i.e. that Turkey might not and should not be allowed to join the EU after all. Criticism has become ever stronger at the alleged infringement of civil rights in Turkey, including limitations of freedom of speech and freedom of religion as a result of new anti-terror legislation. The Parliament has to approve the admission of any new Member States and its Committee has said that recognition of the 1915/1916 genocide against the Armenians must be a pre-condition for EU membership. Camiel Eurlings, a Dutch Christian Democrat MEP, has said, "*The tempo of reform is definitely slowing down* [in Turkey]." MEPs seem to be losing their patience at Turkish foot-dragging over its refusal to recognise Cyprus and its refusal to allow Cypriot ships or planes to land at its ports. A Social Democrat MEP has said that if Turkey does not recognise Cyprus by the end of the year then the European Parliament could call for the accession process to be suspended. [*Frankfurter Allgemeine Zeitung*, 5 September 2006]

Sarkozy defends himself for being pro-USA

The French presidential election campaign is well under way. On the left, the favourite seems to be the common law wife of the leader of the Socialist Party (herself a politician in her own right and former senior minister), Ségolène Royal, who had a wide appeal because of her good looks and eclectic politics. (She is currently firing off apparently right-wing statements in an effort to seduce 'middle France' whose values are conservative.) On the right, Nicolas Sarkozy, the Interior Minister and head of the main right-wing party, the UMP, is also much talked about. Jean-Marie Le Pen and Philippe de Villiers are also running their campaigns, as are various extreme left-wing candidates. For his part, Sarkozy suffers (if he suffers at all) from the public perception that he is pro-American, at a time when the United States and its policies are more unpopular than ever before. In an interview in *Le Monde*, Sarkozy was asked how he reacted to the charge of being pro-American: *"If after twenty-five years of political life, the only serious reproach which people can make is to say that I am too close to a country against which we have never fought a war, a country with which we have fought in the past to eradicate Nazism and with which today we are fighting to defeat terrorism, I am happy to accept that. The US is a country which has had full employment for nearly fifteen years, a country in which every year economic growth is one point or one and a half points above ours, a country in which democracy combines stability and political change harmoniously. Finally, the US is a country which sets and example for the integration of immigrants: half of the Nobel Prize winners in America are of foreign origin."* Sarkozy said he was not a blind admirer of the USA but that anyone of good faith would see that *"we have no reason to quarrel with the US."* The presidential candidate said that he was not an unconditional ally of the Americans, and that for instance he was opposed to the accession of Turkey to the EU. He implicitly criticised President Chirac when he argued, strangely, that there had been no point threatening to use the French veto in the Security Council against war in Iraq in 2003 because in any case there was no majority in the Council in favour of war anyway. He said that France's scepticism about the war had been justified in the light of events, but only to the extent that Iran was now more powerful than before. Sarkozy said that he admired the *"energy and fluidity"* of America and said that the Enron affair was *"moral"* because it showed that America was not only a country in which people like Bill Gates could make a huge amount of money but also a country which could correct its own errors. [*Le Monde*, 10 September 2006]

Sarkozy met George Bush for 40 minutes on 12 September 2006 in Washington, in the offices of the National Security Adviser, Stephen Hadley. He was accompanied by his wife, Cécilia and by the UMP deputy, Pierre Lellouche, who used to be Jacques Chirac's foreign policy adviser. Mr Sarkozy and his team were pleased when the White House released a photograph of the meeting; that morning, Sarkozy had given a speech to the French-American Foundation in which he denounced *"an arrogant France"*. *"Never again,"* he said, *"should we make a crisis out of our disagreements"* – as had happened in 2003 over the Iraq War. Sarkozy was also very hawkish over Iran, insisting that *"all options remain open"*, i.e. that a military attack should be on the table. *"We must close no doors,"* he said. *"I think I have been as clear as possible. In the 1980s, during the hostage crisis, firmness paid off."* Whereas the French Foreign Minister, Philippe Douste–Blazy, had said in July that Iran was *"a factor for stability"* in the Middle East, Sarkozy said instead the country was *"febrile"*. *"History teaches us the consequences of complacency in the face of aggression and fundamentalism,"* he said. On Israel, Sarkozy's language was even more like that of an American politician. *"I want to say how close I feel to Israel,"* he said. *"Israel is the victim. It must do everything to avoid being presented as the aggressor."* On the other hand, he called on the Israelis to have *"an appropriate reaction"* to events, saying, *"We are behind you."* Finally, Sarkozy spoke about Darfur, which is exciting a good deal of interest and passion in the United States. He said that *"indifference"* and *"lack of courage"* should not permit *"the first crime against humanity of the 21st Century"* to be committed. [Corine Lesnes, *Le Monde*, 14 September 2006]

Bayrou says French media not independent

François Bayrou, the centrist candidate who is trailing badly in the polls, has put the cat among the pigeons by saying, live on prime time TV, that the French media are not independent and that there is a tight interconnection between politics, the economy and the media. His affirmation is correct. TF1, the first TV channel, is owned by Martin Bouygues, the owner of a construction company which builds roads and bridges for the French state. The national daily, *Le Figaro*, is owned by Serge Dassault, who makes aircraft for the French air force. *Paris Match* and *Europe 1*, the leading radio stations, are owned by the arms manufacturer Arnaud Lagardère who also owns a minority stake in *Le Monde*. These three media barons all have an interest in maintaining good relations with the next French president and they all seem to be rooting for Sarkozy. The impact on press freedom is clear: when Alain Génestar published photos of Nicolas Sarkozy's wife with her lover, the cuckold politician was furious and Génestar was sacked. When the head of *Europe 1* was looking for a reporter to cover the party Sarkozy leads, the UMP, he asked Sarkozy's advice – which both parties have said they considered quite normal. There are plenty of other rumours about interference in the press by owners: Serge Dassault is supposed to have tried to set the questions for an interview Ségolène Royal gave to *Le Figaro*, for instance. [*Handelsblatt,* 15 September 2006]

What is the use of opinion polls?

Studies show that opinion polls eight months before a presidential election in France seldom accurately predict the final outcome. The polls, however, are often themselves used in the political battles in the run-up to an election. At the moment, they are being used, for instance, to bolster the campaign of Ségolène Royal to become the

Socialist Party candidate. Her enemies point to the fate of Lionel Jospin, who was tipped to win in 2001 but who was in fact beaten into a humiliating third place by Jean-Marie Le Pen in 2002. There are some exceptions: a poll in October 1987 got the result of the second round for the following year right to within a few decimal points. But such accuracy is the exception, not the rule. In October 1980, Valéry Giscard d'Estaing was widely predicted to beat François Mitterrand, the Socialist Party challenger, easily. In fact, of course, Mitterrand was elected in 1981 and served as president for fourteen years. Six years later, the polls all showed Raymond Barre to be the likely winner. Moreover, they predicted that he would win against Michel Rocard, when in fact Rocard never even stood as a candidate. In October 1994, Jacques Delors, who also never stood, was widely trailed as the likely winner for the following year. It was not until he announced in December 1994 that he would not stand that his poll rating vanished. Jacques Chirac went on to win the 1995 poll. In autumn 1994, moreover, Chirac was trailing the other possible right-wing candidate, Edouard Balladur, quite badly in the polls. Finally, no one predicted that Jean-Marie Le Pen would get through to the second round in 2002. The previous September, the polls indicated that he would get only 6 per cent when in fact he got over twice that amount. It therefore goes without saying that no one predicted Chirac's 80 per cent victory in 2002. [Béatrice Gurrey, *Le Monde*, 15 September 2006]

'Populism' on the rise in Norway

Following the success of the Danish People's Party led by Pia Kjaerskaard in Denmark, now it is Norway's turn to see a Eurosceptic and anti-immigration party rise to prominence. The Party of Progress led by the 37 year-old blonde Siv Jensen, was elected to the Norwegian Parliament in 1997 and took over the leadership of the Party in May. It is not the largest political party in Norway. In September 2005, the Party polled 20 per cent of the votes; its poll rating now stands between 30 and 35 per cent. The Party faces the usual tired old accusations of populism because it denounces the established political class and campaigns against immigration and in favour of law and order. It also calls for tax cuts and an increase in public spending financed by sales of oil. The Party's officials say they have nothing to do with Jean-Marie Le Pen and deny that they are either populist or xenophobe. (But then so does Le Pen.) The Party's fortunes rose earlier in the year with the demonstrations across Europe for and against the cartoons of the prophet Mohammed published in a Danish newspaper. [Anne-François Hivert, *Libération*, 12 September 2006]

Syria accepts EU troops

According to the Italian Prime Minister, Romano Prodi (the former President of the European Commission), Syria has accepted a proposal that the EU send border guards to police the frontier between Syria and Lebanon. Speaking in Bari, Prodi said that the Syrian President, Bashir al–Assad, had in principle agreed to the idea. UN General Secretary, Kofi Annan, has asked Germany to provide personnel for the force. The suggestion is in response to Israel's demand that there be strict surveillance of the Syrian-Lebanese border to prevent arms being sent across it to Hezbollah. Officials from the German customs police are already helping their Lebanese colleagues in Beirut. Prodi said that any EU force should be unarmed and not wear uniforms; the guards would essentially be just 'observers'. The Germans are still debating what exactly their role will be in any intervention force in Lebanon but many members of the German Parliament are determined that German troops should be sent to help disarm Hezbollah. [*Handelsblatt*, 9 September 2006]

German navy to be sent to Lebanon

The German Chancellor, Angela Merkel, has defended her Cabinet's decision to send the German navy to Lebanon as part of the UN intervention force. The decision took a long time to reach since the presence of German troops in the Middle East is highly controversial. Mrs Merkel said that the intervention had *"a historical dimension"* by which she meant that it was significant in the light of German history. Germany had a special responsibility for the existence of Israel, she said, and for a peaceful solution to the conflict in the region. The naval part of the intervention will operate under German leadership. The Chancellor also said that the intervention force should avoid the mistakes of the past, previous UN resolutions on peace in the Middle East having failed. Germany is to send 2,400 troops, of which 1,500 are to patrol the Lebanese coast. The naval force will consist of two frigates with helicopters, two troop ships and four cruisers. There are also Dutch, Danish and Norwegian sailors in the intervention force. The German Defence Minister says that the 'mandate' is robust enough as it allows the force to inspect a ship even if it offers resistance. The idea is for the force to blockade Lebanon from any arms shipments for Hezbollah. The cost of the intervention will be €46 million this year and €147 million in 2007. The FDP Liberals have opposed the intervention, saying that the exact interaction between the UN force and the Lebanese army has not yet been clarified. For the time being, the intervention is supposed to last until August 2007. The total number of sailors deployed will not exceed 2,400. [*Die Welt*, 13 September 2006]

Slovakia in the dog house again

Within months of the election of a left-wing government in Slovakia which governs in coalition with the nationalist right, relations have deteriorated between Bratislava and Budapest over the question of the rights of the Hungarian minority in Slovakia. During the governments of former Prime Minister Vladimir Meciar, Hungary constantly claimed that the rights of the Hungarians in Slovakia were under threat. Once a more EU-friendly government was elected, these complaints stopped. Now they have re-started, ever since the new Prime Minister, Robert Fico, decided to govern in coalition with Meciar's Movement for a Democratic Slovakia and Jan Slota's Slovak National Party. Fico's own party has been expelled from the Socialist International for his alliance with the 'extreme right' and letters of protest have been sent by various European grandees. Now an attack on a Hungarian woman by two skinheads has been transformed by Budapest into an affair of state. The Hungarian Government demanded that the Slovak Government clamp down on such racist attacks. The Hungarian Prime Minister, Ferenc Gyurcsany, a former Communist youth leader, called on Mr Fico to condemn the alleged rise in attacks on Hungarians. The Slovak Government responded angrily that such attacks happened in all countries and that Slovakia did not expect to be taught lessons by others on how to combat intolerance and xenophobia. Meanwhile, the Slovak Minister of Foreign Affairs accused Hungary of orchestrating with the Hungarian minority in Slovakia a campaign to discredit Slovakia. [Martin Plichta, *Le Monde*, 5 September 2006]

EU and US continue to disagree on flight data

The United States and the European Union remain unable to reach an agreement on what kind of data can be communicated to the American authorities about passengers travelling to the US on flights. The US requires 'Passenger Name Records' to be submitted in order to track suspected terrorists. These records currently show the flight number, the address of each passenger (including where he or she is

staying in the US), e-mail, credit card number, telephone number and food preferences. The agreement to provide this data was overruled by the European Court of Justice in May, following an appeal by the European Parliament, some of whose members are very concerned about the implications for peoples' privacy. The ECJ judges have instructed European officials to negotiate a new agreement by 30 September 2006. However, the differences between the two sides remain and are widening. The US Homeland Security Secretary has deplored the fact that Washington is *"handcuffed"* by the present agreement, which prevents this data being given to the FBI or to a foreign government, while the administration as a whole wants more information, not less. The Americans resent the fact that the current rules do not allow them to know whether, for instance, a mobile phone number which may have been found in an Al Qaida computer in Afghanistan has been used to reserve a flight. [Philippe Ricard and Jean-Pierre Stroobants, *Le Monde*, 15 September 2006]

Kaczynski in Berlin

The Polish Prime Minister, Jaroslaw Kaczynski, will visit Berlin on 30 October in order to hold talks with his opposite number, the German Chancellor Angela Merkel, in the context of the continuing difficult relations between the two countries. Kaczynski said that the visit was intended to *"enlighten certain problems created by misunderstandings"*. New oil has been cast on the fire by the call made by members of the League of Polish Families for the rights of the German minority in Poland to be curtailed, especially its right to seats in the national Parliament. However, the main bone of contention between Warsaw and Berlin remains the construction of the gas pipeline between Russia and Germany, bypassing Poland and the Baltic states. The consortium building this pipeline, which Poland strongly opposes, is chaired by Mrs Merkel's predecessor as Chancellor, Gerhard Schröder. In addition to opposing the construction of the new gas pipeline, Poland wants the currently existing oil pipeline which runs between Odessa and Brody to be extended towards Plock or Gdansk in Poland. Currently, this oil pipeline transports Russian oil from Northern Ukraine to the Black Sea. The Poles want the oil to flow the other way, from the Caspian (where their allies, the Americans and the British, now control the oil) via the Black Sea northwards and then into Poland. Poland wants Brussels to finance the construction of the pipeline extension; alternatively it will seek credit from the European Investment Bank. [Célia Chauffour, *Le Monde*, 12 September 2006]

The Germans are concerned at the suggestion made by the League of Polish Families that at the local elections to be held in November parties representing national minorities (i.e. Germans) should no longer have to get more than 5 per cent of the vote in order to get a seat in Parliament. Initially the Prime Minister suggested that he agreed with the League's position. The Germans have reacted indignantly to the suggestion that the current provisions are 'asymmetric' since Poles in Germany do not have special electoral rights. The 1991 treaty between Germany and Poland guaranteed minority rights in Poland and the Prime Minister has since said that nothing should be changed now in that respect. The row comes against the background of the continuing tensions generated by the German expellees' association. The Polish Parliament is going to discuss the terms of the 1991 treaty at the end of September. [Reinhold Vetter, *Handelsblatt*, 11 September 2006]

Prodi says EU is 'left-wing'

The Socialist Prime Minister of Italy and former President of the European Commission, Romano Prodi, has said that the European Union is 'left-wing', at least as far as its policy on globalisation is concerned. Prodi was giving an interview to *Le Monde* and he was asked about social 'solidarity' in a globalised world. He replied, *"In this regard, the EU is left wing. It is the only world structure in which less developed regions have grown faster than developed regions, thanks to the structural funds and thanks to a serious regional policy. A country without infrastructure like Spain has been transformed into an ultramodern country thanks to European funds."* Prodi also boasted of the fact that Europe has not been divided by the recent war between Israel and Lebanon; he said that, instead, Italy at his initiative had taken a lead and that the others had followed. On what to do about the European Constitution, Prodi said that he approved the suggestion made by his Interior Minister, Giuliano Amato, that *"a group of wise men"* be created. (This is the usual EU tactic for obtaining a political stitch-up.) Prodi said, however, that such a group could not propose a new Constitution but that it would be a useful way of *"reopening the debate"*. He said that a good occasion for this would be the 50th anniversary of the signature of the Treaty of Rome, which falls on 25 March 2007. *"In my opinion, it is possible to relaunch the constitutional project but with a very simplified version."* He said that the principle of voting by unanimity had to be abandoned, for this would lead to *"complete blockage"* in an EU with 25 (soon 27) Member States. Asked about the huge disparities in wealth between the North and the South of Italy, Prodi replied that it was Italy's *"own fault"* that it had not used the money from the EU cohesion funds properly. *"The first thing we have to do,"* he said, *"is to recognise that we have wasted an enormous amount of money."* [Interview in *Le Monde*, 13 September 2006]

Muslim brotherhood attacks Pope

The Egypt-based Islamic group, Muslim Brotherhood, demanded an apology from Pope Benedict XVI after remarks the pontiff made about Islam during his apostolic visit to Bavaria. The organisation called on Islamic countries to threaten to break off diplomatic relations with the Holy See if such an apology was not forthcoming. This same demand had also been made by the Organisation of the Islamic Conference in Jeddah (the largest Islamic organisation in the world) as well as by the Pakistani Parliament. In a lecture in Regensburg on 12 September 2006, and addressing the question of the relationship between reason and faith, Pope Benedict quoted at some length from a dialogue conducted in 1391 by the Byzantine Emperor Manuel II Paleologus, on the subject of Christianity and Islam. He quoted the following passage from the Emperor: *"Show me just what Mohammed brought that was new, and there you will find things only evil and inhuman, such as his command to spread by the sword the faith he preached,"* and used this passage to argue that Christianity, unlike Islam, believes that religion and reason (or reasonableness) are completely compatible. *"Whoever would lead someone to faith,"* the Pope quoted the Emperor further, *"needs the ability to speak well and to reason properly, without violence and threats… To convince a reasonable soul, one does not need a strong arm, or weapons of any kind, or any other means of threatening a person with death."* These quotations elicited a furious response from, among others, Turkish imams and the leader of the Muslim Brotherhood, Mahdi Akef, said that they showed that the Pope had a false understanding of Islam. The General Secretary of the Muslim Council in Germany said that he could not believe that the Pope had said that the distinction between Christianity and Islam lay in their attitude to violence, since Christians had been bloody in history too. The Pope has since made a public apology for his comments, but his gesture is unlikely to appease all. [*Die Welt*, 15 September 2006]

EU Lunacy Knows No Boundaries

by Annunziata Rees-Mogg

The European Union wants to break up the nations states of Europe. How can anyone not love the EU? Every time the issue drops off the radar the beloved bureaucrats in Brussels give us all another reason to rally for our nation. We may have become virtually immune to the millions of spurious regulations and directives that torrent out of the Commission. But there are some things we still hold utterly sacred. And our country is one of them.

No doubt, it is our attachment to our nation state that prompts the EU to try to abolish it. The latest attempt is not only vicious but laughable. It wants Kent as part of France? Ask Kentish man if he feels French – something makes me believe that you may get a resounding 'No'. As for the people of northern France, it seems likely they would give an equally booming 'Non'.

There is always someone who claims to be British but apparently has no connection with the rest of us. Andrew Duff (there is no need to make the obvious puns on his name), the Liberal Democrat MEP for the East of England (or The North Sea Region as he would prefer it to be called) describes the outcry at the break up of the UK as "*childish baloney. This Directive is trying to achieve a norm of statistics across Europe to develop social policy, transport infrastructure and so on.*" I suppose it is an argument – but does it have any relevance to us in the British Isles?

I am from Somerset; I have also had a few very happy holidays in Portugal. But though they are our oldest allies, I do not feel Portuguese. And until the M5 links to the nightmarish roundabouts of downtown Lisbon, I cannot think what point there is in coordinating our transport infrastructure.

Even more intriguingly, northern Scotland is to be linked with Norway, Sweden, Finland and Greenland. Again there are no clear advantages in transport – or social policy for that matter – that spring to mind. But even more confusing is that Norway, Iceland and Greenland have not yet succumbed to the pressure to join the EU. So what possible power does Interreg (the long running EU project that has drawn up the new map) have to impose this false boundary on them?

So far, so mad. So typical and so pernicious. So worryingly unsurprising. But there is a deeper question to be asked: the motivation for the destruction of national borders. In order to answer this it is best to ignore our own deceitful government. Nor is there any point turning to the creative interpretations of the French officials. Much better to go to the straight talking Germans.

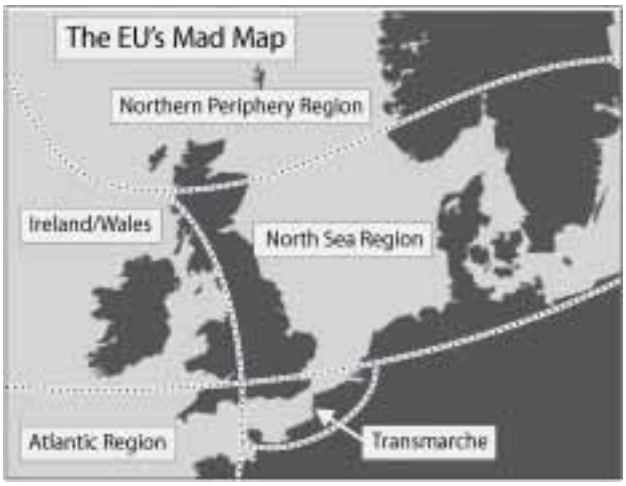
According to Wolfgang Tiefensee, a German Minister: "*There is a great hope underlying the goal of a United Europe that we can permanently overcome old borders.*" So there we have it from one of the horses' mouths. The plan in the Eurofanatic camp is to create a United Europe which eradicates our historic boundaries. And our national identities. No doubt this is for the 'greater good' or some such communist, or fascist, dictum.

And yet we are defined by our national identities. And that is not something that can be erased with any ease. John Locke referred to it as the 'law of fashion'. He stated that: "*Thus the measure of what is everywhere called and esteemed virtue and vice is this approbation or dislike, praise or blame, which, by a secret and tacit consent, establishes itself in the several societies, tribes, and clubs of men in the world.*" The people of the UK are a society. We have defined our norms. We have developed our laws. We have outlined our morals. We may be multicultural, but what we accept – and that which we do not – has been set by history, tradition and experience. No government, local, national or supranational, is able to override our 'law of fashion', no matter how much it changes our laws.

Modernists would argue that the world has moved on since John Locke's day. The world may have, humanity has not: we still eat, drink and breathe; we still live and die; we still live in communities. In 1996, (even the ideologues who think that human nature changes beyond recognition cannot believe it happens in a decade) M Anderson noted in *Frontiers: Territory and State Formation of the Modern World* that, "*European integration lacks genuine historical antecedents… Loyalty to the European Union and belief in its legitimacy must be derived from other sources than those which bind together nations, peoples and local communities. Differences of history, language and culture define the peoples of Europe.*" I would argue that not only are we defined by these but that we define ourselves by them. And it is not just the UK. Just as Oxfordshire is not Germany, France is not Holland. It is innate to us all – and partly thanks to evolution and survival instincts – that we associate with our own society, not those imposed on us, no matter where we hail from.

The EU sees our identity as a threat. As such it wants to quash it. If it does, it quashes us, our individuality and our freedom. It is another fight in a long line that we must have. And another one we must win. However, at the same time it is another nail in the EU's coffin. The 'Union' is beginning to feel like all dictatorships do in the end; it is grasping at straws to save itself. Its ideology has failed. Human beings have got in the way. Thank god, they always will.

Annunziata Rees-Mogg is the former editor of the European Journal. *She now works for the* Daily Telegraph *and as a freelance journalist covering economics, business and politics. She can be contacted at areesmogg@yahoo.com.*



The River of Laws

by Charles Robinson

On average some 50 new laws enter the British Statute Book at Westminster each month. The headwaters of this river are in Brussels, but within that plateau lie three distinct sources. Only 20 per cent of legislation comes out of the EU Parliament, the remaining 80 per cent of law comes from the European Commission and the Lobby – hence the 'democratic deficit'.

The Lobby is a significant source of 'ideas', 'suggestions', 'concerns' and 'representations'. The reader will not always be able to discern where this 'influence' is brought to bear, but the facts are that,

- About 15,000 lobbyists currently operate in Brussels.
- 2,600 special interest groups have a permanent office in Brussels.
- €60 to €90 million of revenue is estimated to be generated annually from lobbying activities in the capital of Europe.

The channels from the sources coalesce through a series of cascades and pools found in the forest known as '*comitologie*'. Strictly speaking, this is merely 'the science of committees', but in reality it is a jungle of undemocratic bureaucracy.

Below is an example taken from the Commission's *Frequently Asked Questions on the Register of Expert Groups:*

"As a general rule, the Commission creates its expert groups itself. In its legislative proposals for the legislator, the Commission does not introduce the creation of expert groups intervening in the exercise of its own competences (right of initiative and application of acts) or organising coordination or cooperation with the Member States (with a view, for example, to developing a new policy). The Commission's expert groups, therefore, cannot in principle be created by the legislature."

One example: 'Implementation committees' are committees empowered by the EU Council to oversee the implementation of regulations by the Commission under executive powers that are conferred on it by the Council. There are various types of such committees established under Article 202 of the Single European Act (and all subsequent EC Treaties). Technically they have 'legislative control' over the Commission (rather like parliamentary committees have 'control' over UK government legislation). The difference is of course that these committees are filled with 'experts' rather than elected representatives. Currently the EU Parliament can only 'express its disapproval' of measures passed through this process. It should be remembered that a) the Commission itself is not elected, and b) that the many Brussels-based lobbyists and special interest groups generate c. €75 million of revenue per year! The Commission 'helpfully' provides two registers of those who are involved in this section of the River – the Commission Register of Expert Groups, and the Commission Comitology Register. The members of these bodies are all appointed, not elected.

Another glaring omission from the legislative process in Brussels is the lack of impact assessments. This has become a major headache resulting from the Financial Service Action Plan Directives as the finance industry finds itself laden with unnecessary costs. Business is already being lost to America and the Far East. It also has severe effects on the other end of the business scale, with small businesses finding it increasingly difficult to deal with the implementation costs of the flow of red tape from the Commission.

Eventually the European law is published in the Official Journal and it is then required, under pain of unlimited fines in the European Court of Justice, to be enacted by national Parliaments. This is the waterfall from the high plateau that is Brussels onto the national floodplains. Our cataract is called The Westminster Falls.

The vast majority of European legislation reaches the British Statute Book without being debated by either House of Parliament. If EU Directives or Regulations are debated in Parliament it is purely as a matter of form; neither House has the power to change a single word. This is classified as Secondary Legislation and pours over the Westminster Falls via Enabling Acts. These are effectively clauses in existing British Acts of Parliament which allow the then Minister to simply sign the European law into the British Statute Book. The flow onto the German floodplain is 18,000 out of 23,000 acts adopted since 1998 (*i.e.* 80 per cent), and there is likely little difference in the proportion of our own law.

And so, 50 new laws arrive each month, each often requiring a new layer of officials and inspectors to implement and enforce them. British officialdom also has an unhappy knack for 'gold plating' Brussels regulations, making them even more onerous than was the Commissions intention (*e.g.* Child Car Seats, Resale of Art, in fact most directives).What are our European 'partners' doing with these laws? Is this what is really meant by harmonisation? High up on the *Plateau Bruxelles* there may be answers to these and many other questions, but where the river analogy breaks down is that real flood waters improve a land's productivity, and don't stifle it.

www.directivesdigest.com

Despite the vital importance of finding out the details of European legislation, it is extremely difficult to do so thanks to the way EurLex, the portal to European Law, is set up. While one might wonder if accessing the regulations has been made deliberately difficult, a new website takes away much of the strain.

Directives Digest (www.directivesdigest.com) is aimed at those who need easy access to the legislation, along with a summary of its ill-effects. The site is fully searchable by keyword, and legislation is also catalogued under clear headings, e.g. Employment, Financial Services and Health & Safety.

Directives Digest Chairman, Lord Willoughby de Broke, says, *"I think it important that individuals should have easier access to EU legislation that affects their lives and businesses. Our site is intended to be factual and informative rather than polemical."* We also hope that the media find it an essential, reliable and accurate short-cut to EU legislation and its often unintended consequences.

All of the Directives mentioned above are to be found on the site. We are collaborating with think tanks to highlight shortcomings in legislation as it stands and to help encourage impact assessment as part of the process of developing new legislation.

Finally, an invitation from our Chairman: *"My team of researchers is small but dedicated. We would welcome feedback and suggestions for Directives we have not posted yet. Do take some time to browse through the site, and do please email my editor with your contributions."*

Assessment: The Davidson Review

by Celia Surtees

When Gordon Brown expressed his concern about the gold plating of European regulations in a speech to the Confederation of Industry in November 2005 he was voicing what many people involved in European politics have known for a long time: that whilst portraying itself as an administration attempting to swim against the tide of EU over-regulation, Britain has in fact become one of the worst administrations in Europe in terms of the over-implementation and over-regulation of EU legislation. An example of this can be found in the Abattoirs Act. This Directive left the European Commission as a 12-page document and in France it was reduced to seven pages; however, when it was transposed into British law it was expanded to 96 pages.[1]

It is for this reason that the Government asked Neil Davidson, QC, the former Solicitor General for Scotland, to conduct an independent review of the UK's implementation of EU legislation, focusing on the issue of 'over-implementation'. The review aimed to provide an opportunity for businesses, trade associations, voluntary bodies and other stakeholders to submit hard evidence of EU legislation that had been implemented in ways that went beyond the minimum requirements. A call for evidence was published on 3 March 2006 and in July a summary of responses was published in advance of the final report, due at the end of the year.

The call for evidence generated just over 160 written responses from a wide range of respondents in the public and private sectors. The review team also held round-table discussions with companies to gather oral evidence and visited other EU Member States that were conducting similar reviews. The summary sets out these responses and draws together some of the emerging themes.

The term 'gold plating' has often been used as an umbrella term in the debate on the manner of implementation of European legislation in the UK and other Member States. The Davidson Review has eschewed this term in favour of the broader term of 'over-implementation' of which 'gold-plating' is a constituent part along with 'double banking' and 'regulatory creep'. In this way the Davidson Review has taken a much broader approach than most previous studies.

The report has found that over-implementation can be caused in a number ways and to a certain extent intentionally or unintentionally. It has split the causes of over-implementation into roughly two categories: there are those that are specific to over-implementation, which manifest themselves in the UK approach to implementation; and then there are those that lead to poor regulation, of which over-implementation may be an unintended consequence, which can arise both at the stage of the EU measure being negotiated and at the national level in implementation.

Over-implementation that falls into the first category can often be termed 'double banking'. The Davidson Review's call for evidence defined 'double banking' as "[occurring] *when European legislation covers the ground as existing domestic legislation and where the two regimes have not been made fully consistent or merged into one.*" In the summary of responses to the call for evidence, one Directive that was suggested a number of times as an example of double banking was the 'Sale of Consumer Goods and Associated Guarantees Directive' (1999/44/EC). Although officially the Directive is implemented by amending the existing legislation (the Sale of Goods Act 1979) there are still actually two different types of remedy for the consumer. This means that the consumer can switch between to two remedies depending on which is more advantageous in the given circumstance. However, the legislation makes only limited provision for how the old and new legislation should interact. The net result is that whilst the consumer does get more choice it can be extremely complicated to explain which remedy would best suit them. The report found that this had led to confusion for both businesses and consumers.

Over-implementation that falls into the second category is usually termed 'regulatory creep'. According to a number of respondents, problems involved with over-implementation often began at the EU level and there are three main features of the EU regulatory system that can lead to unintentional over-implementation. First, the report found that the volume and timing of EU legislation made effective regulation and engagement of stockholders awkward for national regulators; second, a simple, consistent UK regime has been difficult to achieve due to overlaps and inconsistencies in European legislation which were carried through to national legislation. Thirdly, it was found that ambiguous wording due to the way in which legislation was drafted and negotiated in Brussels could also increase the chances of over-implementation.

The review has also taken previous studies on the subject into account, such as the recent NAO report *Lost in Translation?*[2] It will, in its full form, endeavour to make recommendations as to how the implementation process in the UK may be improved in the future.

For the next stage, the Review will be working with government departments and external stakeholders to analyse the issues raised in this report. It will also attempt to investigate a number of case studies more closely. The final report will not be published until the end of the year but the number of responses has made it very clear that over-implementation is an issue that is of great concern amongst many UK businesses. For once, the Government must be commended for attempting to investigate the roots of EU over-regulation. But this exercise still leaves much to be desired. The Opposition itself must relentlessly expose areas and causes of over-regulation, which is stifling British business and industry. It must also make every attempt to curb the indecent amounts of legislation flowing from Brussels. If the groundwork can be done today, a future Conservative Government will be prepared to effectively roll-back, if not stop altogether, the process of EU over-regulation when it comes to power.

1 John Tate and Greg Clark, *Reversing the Drivers of Regulation: The European Union,* 2004 pp. 28

2 Lost in Translation? Responding to the challenges of European Law, National Audit Office, 26 May 2005

Celia Sutrees is a research assistant at the European Foundation and is currently studying American Studies at the University of Winchester

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 ***October*** *over the past 60 years.*

1954 The Western European Union comes into being after the London Conference and agreements on a modified Brussels Treaty are signed in Paris.

1957 The ECSC High Commission is requested by its council to prepare a general policy of energy.

1958 The European Court of Justice is set up in Luxembourg to replace the ECSC Court of Justice.

1959 The idea of uniting the High Authority of the ECSC and the two Commissions (EEC and Euratom) into a single institution is launched by Belgian Foreign Minister Pierre Wigny.

1966 The Netherlands ratify the treaty instituting a Council and Commission of the European Communities.

1969 The Commission submits a supplementary opinion on the applications for EC membership from the UK, Ireland, Denmark and Norway.

The Commission submits a draft decision to provide the Community with the instruments it needs to promote a regional development policy.

1970 The Council issues a final report on the Commission memorandum on the establishment of Economic and Monetary Union.

The Davignon Report on political cooperation is approved by the Member States, with the objective of having Europe speak with a single voice on all international problems.

1972 Following a referendum, a majority of Danish people voted in favour of joining the EC.

The UK ratifies the acts relating to the accession to the EC.

1973 Finland signs an industrial free trade agreement with the EC.

1977 Opening of the Belgrade follow up to the Helsinki Conference on Security and Cooperation in Europe.

The Court of Auditors of the EC holds its inaugural meeting in Luxembourg.

1978 The representatives of the Governments of the Member States meeting within the Council sign the Convention on the Accession of Denmark, Ireland and the UK to the Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters.

1984 A cooperation agreement between the EC and the Republic of Yemen is signed in Brussels.

1988 The EC ratifies the Geneva Convention for the protection of the Ozone Layer.

The European Council adopts a decision establishing a Court of First Instance of the European Communities.

1990 Germany is unified and the Länder of the former East Germany become part of the EU.

1991 The Council reaches an agreement on the establishment of a European Economic Area (EEA).

1992 Italy ratifies the Maastricht Treaty.

1993 The Council issues a declaration to mark the entry into force of the Treaty on the European Union. It confirms that the second phase of Economic and Monetary Union will come into effect on 1 January 1994 and it identifies several matters for joint action to be undertaken by the Union under Common Foreign and Security Policy.

1994 A referendum is held in Finland and a majority vote in favour of accession to the European Union.

1995 Latvia applies to join the European Union.

1996 The Finnish Mark joins the Exchange Rate Mechanism.

1997 The Ministers for Foreign Affairs of the Member States sign the Treaty of Amsterdam.

1999 A special European Council is held in Tampere, Finland. An agreement is reached on a number of guidelines and political priorities, in particular relating to the right of asylum, immigration, access to justice and combating crime. Decisions are taken on the procedures for drafting the European Union Charter of Fundamental Rights.

2000 A European Union/Russia Summit is held in Paris. The discussions centre on the widening of all co-operation areas between the EU and Russia.

2001 Informal meeting of heads of state or government in Ghent. Full support is given to the action taken against terrorism within the framework defined by the United Nations, and total solidarity with the United States is reaffirmed.

2002 The Commission recommends the conclusion of accession negotiations by the end of the 2002 with the following countries: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia. It is decided that these countries will be ready for membership from the beginning of 2004.

2004 President-designate Barroso withdraws his proposal for the new European Commission.

2005 European Union accession negotiations open with Turkey and Croatia.

BOOK REVIEWS

How Hitler Came to Power

by **Sara Moore,** Author House Press, 2006, 310 pp,
ISBN 1-4208-8557-X, £14.95

Reviewed by Jocelyne Saunders

In historiographical terms, if John Maynard Keynes represents the first of the 'great' apologists, then Sara Moore, along with the likes of AJP Taylor and Niall Ferguson, can be placed firmly in the category of the 'revisionists'. Rather than argue the Treaty of Versailles was a 'Carthaginian Peace', for Moore, the terms of Versailles were not harsh enough.

How Hitler Came to Power is an unashamedly revisionist analysis of the events which unfolded in Germany during the 1920s and how they impacted on the rest of the world, focussing on France, Britain and America. Moore concentrates her investigation largely on the wider issue of the economic situation of Germany during this time, linking it specifically to the Treaty of Versailles, the payment of reparations, the pan-German industrialists and notably their involvement with Stalin. As a result, Hitler is not directly referred to as frequently as the book's title suggests. Indeed, the old idiom 'you can't judge a book by its cover' applies here. This book is more an assessment of the varying circumstantial economic forces that were responsible for Hitler's rise, as opposed to a direct, step-by-step explanation. In this sense, the book does not cover the 'usual' causes such as Nazi propaganda, the role of the Stormtroopers, Hitler's personality or Hindenberg's involvement. Instead, *How Hitler Came to Power* looks at the lesser-known angles of the subject and projects their significance.

One of the most interesting examples of this is Moore's exploration of the legend of the 'Stab in the Back' (*Dolchstosslegende*). Moore introduces this theme in her introduction and returns to it throughout the book. The argument follows that when Germany surrendered in November 1918, its armies were still in French and Belgian territory. Not only had the German army been in enemy territory the entire time on the Western Front but it had concluded a successful campaign with Russia, as evidenced by the Treaty of Brest–Litovsk. General Eric Ludendorff contended that Germany had received a stab in the back by those Weimar politicians, Jews and Communists who were motivated to undermine Germany from within due to their supposed extra-national loyalties. This social mythos of domestic betrayal later provided the basis for public support for the emerging Nazi Party, in the form of a racialist-based nationalism, and in this sense was a key component as to how and why Hitler came to power.

Moore traces the rise of Hitler back to the Prussian imperialistic ambitions of the late 19th Century, and how the German nationalist doctrine which emerged with the foundation of the Pan-German League in 1893 went on to influence Hitler. It is interesting to look at the aims of the Pan-German League and see just how closely they were reflected in Hitler's ambitions during the 1930s. For example, the League's vision was for a Germany that encompassed all countries considered 'ethnic German stock' such as Austria, Czechoslovakia, Poland, Switzerland, Alsace, and even distant German-speaking groups such as Volga, Baltic and Transylvanian Germans. National Socialism appropriated pan-Germanism; by the annexation of Austria and German-speaking parts of Czechoslovakia in 1938 and by German conquests in Europe during World War II, Hitler nearly succeeded in making the League's pan-German programme a reality.

One of the more interesting areas of the book is Moore's discussion of Germany's relationship with Stalinist Russia between 1929 and 1933. It was Gustav von Bohlen Krupp, Germany's most powerful armaments maker, and media tycoon Alfred Hugenberg (both members of the Pan-German League) who orchestrated Germany's dealings with Stalin in two separate but connected ways. Krupp was instrumental in securing a deal with Stalin to build huge collective farms to allow Russia to export wheat to pay for Germany's military hardware. In return Stalin forced the German Communists to vote with the Far Right in the Reichstag, which then allowed Hitler and Hugenberg to repeatedly undermine Brüning's Government. Ironically, whilst Krupp was helping Stalin solidify his power base in Russia, Hugenberg was convincing the German middle classes to vote for Hitler as, Hugenberg argued, he was the only man would could save Germany from the looming Communist menace.

However, it was only when the threat of Bolshevism was combined with the Great Depression that the middle classes were convinced to vote for Hitler quite literally in their millions.

The main premise of *How Hitler Came to Power* then, is an economic one: that the Great Depression of 1929 to 1933 was the crucial factor in placing Hitler in a position where he was able to take power. But at the same time, this depression was actively created by rich and powerful German industrialists and former members of the League, namely Heinrich Class, Krupp and Hugenberg. Indeed, Hugenberg speculated in 1928 that the people of Germany could be persuaded to vote for a dictatorship similar to that of Mussolini's, *"if the condition of the country seems to warrant it."* After the Wall Street crash in 1929 which prompted America to attempt to recall her wartime debts, unemployment in Germany soared from 5.7 per cent in 1928 to 40 per cent in 1932. Indeed, it began to appear as if Germany's dire economy did need some kind of extreme measure – such as a dictatorship – to fix it. As Moore writes *"Defying the reparations and voting for Hitler seemed the only way forward for Germany to regain its prosperity and self-respect."*

How Hitler Came to Power contains important lessons about the past, particularly economic ones. It is interesting to look to the current events which are unfolding in Germany today, especially in light of the proposal to reduce corporation tax from 39 per cent to under 30 per cent whilst increasing VAT by three per cent. Parallels can be drawn here with Dr Schacht's actions in December 1929 when he rearranged taxes to ensure it was the average man who shouldered the burden of reparations payments as opposed to industry. It should be emphasised though that Moore's work is largely a study of the economic conditions which were responsible for creating the necessary conditions which allowed Hitler to take power. In this sense it provides a highly worthy companion to the more mainstream studies of this topic found in bookshops today.

The Anglosphere Challenge

by **James C. Bennett**, Rowman and Littlefield, 2004, 352 pp, ISBN 0-7425-3332-8, £31.00

Reviewed by Lionel Bell

This striking work draws together two theses. The first of them is that the Information Revolution now upon us will constitute a Singularity, a mathematical/cosmological metaphor for a discontinuity so far-reaching that its consequences will overthrow many of the regularities by which we have governed ourselves hitherto. For example, the world economy will be borderless, though the world itself will not. The second is that English-speaking countries share characteristics, some of them with roots as far back as the England of a millennium ago, well adapted to dealing flexibly with changes of such magnitude. Bennett combines these ideas to suggest that the Anglosphere countries would do well to establish some formal relationships between themselves to take advantage of the situation. As his arguments are unfolded, the author takes opportunities to offer insights on a wide range of topics from the British Empire, through Suez to multiculturalism, Utopias, Tony Blair's attitude to the war in Iraq, bounded and unbounded problems, Whig history and the prospects (poor) of the EU.

It would be as well to be perfectly clear from the beginning what this *Anglosphere Challenge* is not. It is not a determinist prediction in the manner of Karl Marx or HG Wells (*The Shape of Thing to Come*), the enthusiastic embrace of a destiny, which is in any case inevitable. Nor is it a proposal to weld together these countries into a federation or a superstate with a single government that will be able to throw more weight around the world than any of its competitors. It is, rather, a sketch of a framework which would, if widely enough understood, guide us in adapting to the technologically revolutionary 21st Century and exploiting the Anglospherical lead.

The author's credentials for expatiating on the projected Singularity include his personal experience in the space and IT industries and US Government committees. Among the frontiers which he visits are biotechnology, molecular manufacturing and space, as well as the IT revolution itself, of which an important part will be computer-integrated manufacturing. The consequences that are foreseen are the end of capitalism as we have known it and the withering away of the economic state, the latter being defined as one whose support is based on its power to appropriate and redirect resources between segments of its citizenry. The capitalism of the Industrial Age was required to fund the creation and location of mass-manufacturing enterprises capable of bringing cheaper goods to market. In future, ownership of the means of production in the form of the software that forms an increasing proportion of production costs will be able to be distributed among programmers operating with their own equipment, based anywhere in the world and transmitting cheaply the instructions to manufacturing facilities similarly located anywhere there is a worthwhile market.

The facility that the internet affords its users to transfer encrypted credits between themselves could deprive governments of the revenue on which they need to lay their hands for redistribution, for the opportunity that the taxman has arises when he can catch money in motion. However, there must be some doubt whether this will in fact be a significant aspect of the century. Even those who spend a large part of their working lives in the cybersphere must come down to earth to benefit from the property and contractual rights delivered by government and thus expose themselves to it. Given the existence of populist legislatures peopled by those who compete in promises to give individuals or blocs of them something for nothing, the pressure on officials to find ways to collect is likely to be as strong as ever and their ingenuity not at all reduced.

Perhaps the more interesting of Bennett's speculations concern the evolution of statehood, in the sense of relations between states and their citizens, the development of their own internal structures and the interactions between states. Certainly his deployment of both facts and judgments in these areas ranges both wide and deep. What is more, they appear not to be wholly consequential on his exposition of the Singularity, for they might occur without it and are worthy of consideration on their own merits.

Among the characteristics that he identifies as distinctive of the Anglosphere are the common law, a shared narrative, constitutional practices and a high trust society that fosters civil association between individuals. In combination these afford a template of a society open to persons from different backgrounds, one that is particularly favourable to the development of the civic states that he foresees as the world's building blocks as the Information Age evolves.

The English-speaking world would constitute one of the network civilisations binding together states with shared characteristics. Such civilisations would be able to go on and create network commonwealths. This development is not perceived as exclusive to the Anglosphere but it is that which is the most readily available exemplification and, because of its leading position in information technology, likely to appear first. Those individuals whose birthright is the world's working language are most likely to find themselves playing a part in a network commonwealth, within which states have entered into an agreement to practise free trade. They would also permit free transmigration and collaborate in research programmes in science and technology, particularly defence industries. These enterprises would be the basis of a permanent security alliance along the lines of NATO with associated structures and institutions. The Anglosphere network commonwealth would not be a state nor a monopoly of one race, nor would it be based on the Anglo–American 'special relationship'. The histories and nature of the elements that would compose it are here carefully surveyed, not least in exploring differences from the states of the European continent and in noting unsuccessful federalist and unionist experiments within the Anglosphere itself.

Because of Britain's treaty obligations to the EU, Bennett has envisaged the possibility that an effective Anglosphere could come into existence without including the UK. From a Eurorealist point of view such a denouement could provide what has been lacking all these years, a visible alternative to membership capable of being both credible and comprehensible to the man in the street rather than a device dragged onto the stage by the usual suspects. A functioning Anglosphere would deliver the magnetic attraction to draw the UK out of the EU or the impetus to eject the EU from the commanding heights of the British

polity, whichever way one cares to look at it. At all events the concept is one that deserves to be circulated as widely as possible. It is itself a singularity devoutly to be wished.

In conclusion, Bennett is to be congratulated on completing this book with an Annotated Bibliography rather than an overgrown list of works intended to affirm academic credentials. His bibliography consists of descriptions of and comments on sources relevant to the book as a whole and to each chapter in succession.

Lionel Bell is secretary of the Alliance Against the European Constitution.

The Dream of Rome

by **Boris Johnson**, MP, HarperCollins Publishers, 2006, 200 pp, ISBN 0-00-722441-9, £18.99

Reviewed by Joseph Cookson

Boris Johnson returns to form in this fresh oeuvre entitled *The Dream of Rome*, which ties into his BBC television series screened in the spring. He segregates his study into four sections which explore the impact of Rome, the hierarchy of Roman governance and veneration of the Emperor, how it was all achieved, and where it eventually went wrong. Throughout the book the former Editor of *The Spectator* maintains his trademark drollness, but to combine this with an exploration of both the historical and political context of ancient Rome and subsequently compare this with contemporary political and economic attempts to unite Europe is a difficult undertaking. It is certainly questionable whether with such assignments comprehensiveness is possible. Furthermore, Boris would not be the man that one would think of first to be charged with such a substantial academic task. Thus, for the serious historians, economists or political purists out there, I would recommend staying clear of this book.

There is much to comment upon for those of a different persuasion, however, with the light-hearted and unsystematic way in which the Tory Higher Education spokesman bumbles spuriously through the history of the classical world becoming increasingly endearing. As the *Daily Telegraph* signals, "*Johnson has cracked the art of making politics invigorating.*" Such a combination of entertaining literary character and flair, despite this composition being a touch populist on occasion, helps to remedy a widely held lack of appetite for narrow, convoluted studies. This book is intended to be an overview and is successful in broadly outlining the tremendous accomplishment which marks Roman Empirical policies apart from attempts at cultural unification in the modern era. This, of course, most notably includes the decadent European Union.

Johnson uses a variety of sources from contemporary experts and classic philosophical scholars to draw sensible and ambitious, if not a trifle dogmatic, conclusions, comparing an array of Emperors to Commissioners, the bureaucratic structures and how the starkly contrasting institutions have aimed to win over public opinion. The godly status of an Emperor, Johnson maintains throughout, was a key element in the preservation of the Empire. He points, with a typical humour, to this eminence being portrayed in the names of our months, "*apart from the ruler of Turkmenistan, whose bizarre reforms seem unlikely to endure, only two human beings have given their names to months of the year.*"

Johnson is a man highly skilled in anecdotally persuading a reader by use of succinct case studies, a technique he uses unerringly from start to finish in this text. He deftly summarises the disaster for Publius Quinctilius Varus in Teutoburg Forest in AD 9, "*the biggest military disaster in the Roman's living memory*", and précis's of the life of a Romano–Gaul. One is clearly encouraged to think counterfactually, as Johnson's early thesis acknowledges that had the Teutoburg humiliation not led the Romans to abandon any conquest east of the Rhine, Europe would not be linguistically and culturally divided, and "*there would have been no Saxons … this book would be written in a very different language.*"

Boris depicts, in a befittingly sceptical manner, his personal doubts about how the European project is evolving, demonstrating how the single currency, Single Market and political union encouraged "*Citizens … to pay homage to the cult of Rome,*" but have proven unpopular and fiscally unsound in the New Europe. His comparisons have resonance because of the simplicity with which he links the periods. Longingly, one is asked, "*where are the symbols around which the people of this continent could possibly unite?*", and whilst Johnson's stark observations are over-dramatised, they often have merit. Political union being his focal point, he takes issue with the non-committal way in which much of what Brussels does is merely going through the motions, the coinage providing an example: "*Roman coins so clear in their political message, the Euro coins so desperately fudged.*" Johnson has some of the answers for Europe's future, persuasively advocating Turkey's admission into the European club, thus re-uniting the halves of the old Roman Empire, something he believes is of strategic cultural importance. He adds, however, that we can never "*recover that vast Roman sense of political unity, with the face of every Citizen turned like a sunflower towards the political centre.*"

The Henley MP illustrates aspects of the Empire that we should primarily focus on re-creating en route to a dynamic and constructive Union, citing pride in European citizenship and a representative hierarchy, important as numerous Emperors gifted with remarkable fortitude were raised in countries such as Serbia, Croatia and Libya. Less realistic, he suggests, is a desire to run the vast territory of Europe with the "*very few officials and a pretty minimalistic approach to regulation*" that the Romans achieved. Almost with a sense of shock, Johnson describes how Rome employed a "*microscopic bureaucracy*", and one jumps immediately to the conclusion that where we find ourselves today is comparable to the exhausted phase of the Empire with rising numbers of officials, corruption, inflation and trade barriers which transpired prior to the cataclysm of collapse.

The Eurorealist can only be comforted by Johnson's finale as he manages to elaborate triumphantly, showing how it is almost impossible to create a single European consciousness without an empirical figure and a common linguistic background. The fusion between religion and politics in ancient Rome may be undesirable in the modern climate, but was a ticket to success in another era. One feels by the end of the book that we have never been further away from a European society on a parallel with

that of the cohesion and good nature of Rome.

The stupidity of the situation that we are getting ourselves so deeply engaged with is summed up beautifully in one section, as Johnson eloquently demonstrates why the current EU model is destined for failure, as we are *"attempting to unite this vast and disparate territory … not by violence and bloodshed, but by the gentle lure of integration that goes with trade, enforced, where necessary, by qualified majority voting in the Council of Ministers on such details as the maximum permissible noise of our lawnmowers."*

This book is useful for those who wish to know the background of where we've travelled from to get to where we are and is especially informative for the Euro-realist to see the long line of Eurocrats who have been, somewhat foolishly, inspired to try to create a 'superstate' on Roman proportions. Many Euro-enthusiasts could do to read this book and educate themselves in how the Emperor Augustus really managed to achieve what Boris calls *"a rule … more peaceful and successful than any other empire."* A powerful climax ends with Johnson reflectively observing that, *"if History teaches us anything, it is that we are fated never to stop trying* [to recreate the Roman Empire]."

Joseph Cookson is reading Politics and History at Grey College, University of Durham and resides in North Yorkshire.

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Conservative Way Forward

LETTERS TO THE EDITOR

Dear Ms Rainwater,

The BBC received a £100 million loan from the ECB to promote European integration – did the BBC ask for it, the normal process, or was it thrust upon them? What was the rate of interest, decided by whom and where is the money coming from to pay it?

Yours sincerely,
J. Chesshire

Dear Ms Rainwater,

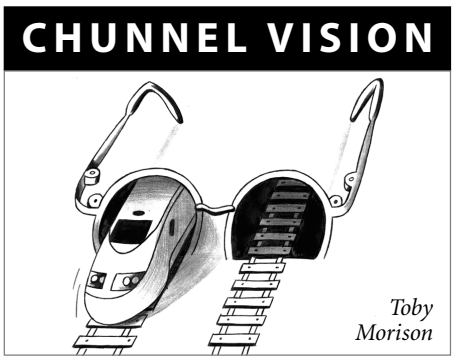
I was glad to see the lead article in the last issue by President Vaclav Klaus of the Czech Republic. His Eurorealist view for the EU's future offers a refreshing retreat from the normal pro-integrationist propaganda espoused by almost every political leader in the Union.

Klaus is one of a handful of highly influential people out there working to uphold the sovereignty of Europe's nation states. Numerous Britons – your Chairman Bill Cash and members of your advisory board such as David Heathcoat-Amory and Roger Helmer – have been fighting this corner for years. Other good Eurorealists from the continent such as French presidential hopeful Philippe de Villiers and Jens-Peter Bonde also add volumes.

Those of us who share the same views must support their efforts in any and every possible way. Volunteer for their political campaigns, tell others about their policies and encourage others to vote for them. For without us joining forces with the influential and working together for the sovereignty of our great nations, the Euro-zealots will win. A cost we cannot afford.

Yours faithfully,
Anne Morgan

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Ici Londres

by Dr Lee Rotherham

Regular readers of this column will not be surprised to know that I am something of a Eurosceptic. I use the word 'something' in the same context as in, say, 1914 was something of an unfortunate year for world peace, or the Moon Landing in '69 was something of a success for commuting. Readers may be more surprised, however, to learn that I am a declared Conservative contender for London Mayor, and that I am not going to make the EU a central part of the campaign.

Desist from your wailing and gnashing of teeth! Avaunt with thine brands and pitchforks! I did say 'central'.

My agenda is one of paring down this unnecessary tier of government, so that it can be abolished altogether. This means less taxes taken from your pocket, more accountability through your borough councillors, and an end to films telling you not to crash into a lamp post.

Yet the truth of the matter is that, however much anyone might seek to narrowly focus on issues that affect London today, Brussels remains one of them. There are two reasons for this. The first is the current mayor himself.

Mayor Livingstone has a track record on European integration. His is a political agenda in favour of the establishment of a federal European superstate. I have nothing against him as an individual as a result of that. At least he is honest and open about his beliefs.

Take his Commons speech of 12 December 1996, where he declared that he is one of those *"who now pursue the dream of a federal Europe"*. He clearly stated that he believes it is an economic necessity, in order to challenge US global interests. He also has an honourable and outspoken view on how successive British governments have lied to the public about the real agenda, which has always been political integration. And he states how he is in favour of a common currency *"when the time is right."*

On a previous occasion, on 21 June 1992, Mr Livingstone also explained why he voted against Maastricht. It was patently not on a simple question of detailed opposition: *"I consistently voted against the Maastricht Treaty, largely because the Government were stupid enough to make it an issue of confidence. Therefore, irrespective of what was in it, I would have voted against."* He continued, complaining about the Social Chapter opt-out, *"Maastricht is about winding down our democratic rights. It is about a major shift of power from ordinary people to great and unaccountable financial institutions. We shall be reduced to a body of no more relevance than the average county council subject to rate capping. That is not why I came into power…"*

Cue laughter from the assembled MPs. But although Mr Livingstone makes a sound diagnosis, he fails with his prognosis, as one of those *"who are genuine European federalists"*.

So Mr Livingstone has a track record on the EU, as on many other policy areas, where his views jar with the public whom he represents. It's fair game for a political opponent to remember that.

The second reason why a candidate for London Mayor cannot simply shove the EU under the carpet is that of policy. The Mayor, for starters, has taken it upon himself to usurp the role of the capital's MEPs. In this, he is merely echoing the process undertaken by bureaucrats and councillors from other regions, who have set up regional delegation offices in Brussels, as part of the EU grant feeding frenzy. This comes at a price. Quite apart from the impact is has on the democratic process (where government ministers are effectively being bypassed by this new lobby), and aside from the duplication of the efforts of MEPs (whose sole purpose is to represent the voters in these regions in the first place), it is a costly hobby horse.

London House in Brussels is of itself reported to cost taxpayers half a million pounds a year. It has three declared objectives. The first is to *"Develop relations with EU institutions and relevant organisations."* This meaningless objective could be self-servingly achieved by, for instance, hosting a single annual cocktail party. The second objective is to *"monitor upcoming EU policies, directives and regulations,"* which is the job of UKREP and MEPs, and of itself achieves zip; knowledge is power only if you do something with it. The third objective is to *"Ensure EU policy makers are aware of London's interests and best practice."*

And here we hit the bull's-eye. Have the Mayor's representatives been doing their job? I would suggest that a thousand per cent more has been achieved by London MEPs like Syed Kamall or Theresa Villiers fighting their corner. That business organisations like the FSB or the IoD have been the real ones punching their weight in rearguard actions against damaging legislation. That a letter to a newspaper or to a Commissioner from representatives of the City, or a London-based bank, or Lord Hindlip from Christie's, carries more influence.

Because where has the Mayor been when the damaging legislation has crawled through the EU system to threaten our great financial centre in the City? What accounts for the silence during the *Droit de Suite* fiasco? What declaration has the Mayor made, or even who has been warned, whenever word has fed back of new costs to businesses through extra bureaucratic hoops and burdens? What of the Withholding Tax? The REACH proposal? Does the Mayor understand the City, or economics, at all? Neither capitalism nor the Capital, it would seem.

It's not even as if London House hasn't got tenants who are also out there from the city, in the form of the Association of London Government office that represents the boroughs.

So we are allowed to talk of Mayor Livingstone's failure in the EU arena. Even if my agenda is one of abolishing the Mayor and of cutting back on bureaucracy, waste and taxes, I think I'm allowed a swipe at a federalist who is failing London's interests.

Perhaps I should, however, take a leaf out of the Mayor's own populist tokenism. I seem to recall that years ago, Mr Livingstone was involved in a move at the GLC to turn the capital into a 'Nuclear-Free Zone'.

I suppose it put the issue on the political agenda, encouraging people to think about the costs and (excuse the pun) fallout, even though as a declaration it had no real meaning or any actionable consequence.

So how about on day one of a Mayor Rotherham administration, we declare London an 'EU-Free Zone'? It does have a certain ring to it…

Dr Lee Rotherham is co-author of the Bumper Book of Government Waste, *and a declared candidate for the Conservative Primaries for Mayor of London*

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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