Václav Klaus
The European Constitution
Will Change Our Future

Bill Cash, MP • Annunziata Rees-Mogg
Daisy Prince • Colleen Coghlán • Greg Broege
Ronald Stewart-Brown • Dirk van Heck
Maureen Zink • Michael Fogg
Sara Rainwater • Robert Oulds
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Margaret Thatcher Reinforces the European Foundation

The European Journal is delighted to announce that Margaret Thatcher has agreed to become Patron of the European Foundation. We are at a watershed in the development of the ‘European project’ and Britain’s role in it, and we are extremely glad that Lady Thatcher has agreed to reiterate her support for us at this crucial moment, as she did when Bill Cash in 1996 was summoned to the Chief Whip for putting forward his referendum bill. We have made progress!

As Bill Cash stated in his speech to the House of Commons in the recent debate on economic affairs (reprinted on pages 3/4), if it goes ahead there will be massive effects on people’s daily lives: on regulation, competitiveness, productivity, the ‘social market’ economy, hospitals, schools, public services and unemployment. Most fundamentally, however, it would bring about a constitutional revolution, replacing the sovereignty of Parliament with a European Constitution as the ground rule of the UK’s constitutional arrangements. We have seen nothing on this scale since the fall of the Stuart monarchy in 1688.

The impact of this change, if brought about, would be the fatal undermining of our democracy. Gisela Stuart, the German-born Labour MP who represented the UK government on the ‘Praesidium’ of the Convention on the Future of Europe, has said that the aim of the Constitution was “deeper integration”, and that not once did a member of the Praesidium question whether this was what the peoples of Europe really wanted. Of course they do not want it – the EU in its current form is a failing project – yet the political elite prescribes more of the same old and increasingly harmful medicine, whilst many national leaders, including our own Prime Minister, will not give their electorates the choice of refusing it.

This week has seen some very encouraging statements from the Conservative Party. Michael Howard gave an interview to The Times on 10 December in which he saying he would fight the next election on a pledge to unravel the Constitution and negotiate a better deal for Britain. He continued, “We don’t agree with the principle of a constitution that sets in stone the supremacy of a European law-making institution above parliaments.” He also said that he would try to renegotiate the deal if the UK had already ratified the Constitution but whilst other member states were still in the process. There has been another sign of a different approach from the Tories – the Party’s policy on fisheries. As John Whittingdale, MP, a member of the European Foundation’s Advisory Board, said in the House of Commons on 9th December 2003:

“But any measure, the CFP has been a disaster for the British fishing industry…. It is not impossible to restore national control over our own waters – it is a question of political will … there is a genuine opportunity on the table right now to carry out a renegotiation of the CFP.”

He is right. But renegotiation should not stop with fisheries policy. We should call for a renegotiation of the EC and EU treaties to achieve a form of associated status and create a treaty with the USA, in parallel to NATO, based on both our commercial and political interests. As Bill Cash said in the Commons on 10 December, recalling the theme of a speech he gave in Yeovil in 1995:

“I suggest that we must move to a new parallel treaty arrangement status with the European Union, allowing us to maintain all the best elements of what the European Community could offer, and on the other hand, a new treaty arrangement ensuring that there was associated status with the United States as well. That would be a true bridge that would depend on the notion of a proper and workable relationship in which we would maintain our sovereignty and independence in relation to the levers of government, but co-operate by treaty on a bilateral basis with the European Union and the United States.”

If we want the UK to remain a bridge between Europe and America, and to prevent a disastrous decoupling of this runaway train, this is the course that we must follow.
Sponsor the European Journal

We are starting a new fundraising scheme – ‘Sponsor a Journal’ in 2004. The plan is to have between one and five sponsors for each of the ten editions published in 2004. A sponsor would be able to advertise in the Journal and the edition would carry their name. The cost of sponsorship would reflect the costs of publishing, printing and postage. This would mean that we can publish working papers and pamphlets and influence the decision making processes whilst keeping the Journal going as strongly as ever.

This is a wonderful advertising opportunity for our readers and supporters. The European Journal is read by thousands and we are the leading Eurorealist publication. The Times described the Journal as “the respected intellectual voice of the European Foundation… The Journal has covered the Convention in greater detail than any other periodical…” We are respected for our intellectual, accurate and challenging articles and are read by many of the main policy makers in the UK, and throughout Europe. This is a serious time for Britain – we need your help in order to continue the fight on your behalf.

Please contact our Fundraising Co-ordinator, Sara Rainwater, to discuss your individual or your company’s opportunities to sponsor a journal. Sara is available on 020 7590 9901 or on e-mail at rainwater@e-f.org.uk and will be willing to answer any queries you may have.

Speech by Bill Cash, MP, to the House of Commons, 4 November 2003

I want to refer to a matter relating to economic management that has been causing the Chancellor of the Exchequer some concern – the primacy of European law under the proposed European Constitution. Having listened to some hon. Members’ speeches, that matter seems to have been somewhat overlooked. For example, the hon. Member for Coventry, North-West (Mr Robinson) mentioned the last Conservative Government’s disastrous policies on the exchange rate mechanism, conveniently forgetting that Labour Members were entirely behind those policies. Indeed, on the basis of the Government’s current commitment to economic and monetary union, they would take us back in again.

Last month, the Chancellor expressed deep concern about the danger of the European Constitution’s undermining the role of national Governments in economic policy making. That is a serious matter, because it has an impact not only on the debates that we will have in future if the Constitution goes through, but on the effectiveness of our position in the House of Commons in representing our constituents.

To a great extent, the Government’s concerns are not being backed up by a determination to retain control over our own economy. In June, the Treasury produced a paper called, ‘Policy frameworks in the UK and EMU’ – economic and monetary union – which states: “While individual tax and spending policies remain a matter for EU Member States, there is an EU framework to promote and maintain sound public finances and to aid coordination between the fiscal authorities.”

It continues: “The main objective for fiscal policy which Member States have agreed is to safeguard sound government finances as a means to strengthen the conditions for price stability” – that, of course, is what monetary union is all about – “and for strong sustainable growth conducive to employment creation.”

It then mentions the excessive deficit procedure, to which I was somewhat opposed in the Maastricht treaty, and the stability and growth pact, which was introduced in circumstances where I felt that it would have been wiser not to do so – many of us opposed it vigorously – and which has now collapsed in ignominy.

It is worth pointing out that the same paper states: “As already noted, the UK and EU fiscal frameworks … even outside EMU” operate on the basis that “the UK is obliged to follow many of the requirements of the EU framework.”

We should reflect on that because although we are outside the single currency, we are not outside the framework in which the economic and monetary union policies operate. In considering the stability and growth pact and the exchange rate mechanism, which many of my distinguished colleagues, including some on the Front Bench, and I vigorously opposed, I was reminded of Shelley’s famous poem, ‘Ozymandias’:

“Two vast and trunkless legs of stone
Stand in the desert.”

It goes on to describe the pedestal:

“these words appear:
’My name is Ozymandias, King of Kings:
Look on my works, ye Mighty, and despair!’
Nothing beside remains. Round the decay
Of that colossal wreck, boundless and bare
The lone and level sands stretch far away.”

That is how I would summarise the policies of the European Constitution in
relation to our economic affairs and management.

The draft European Constitution threatens to tighten the noose of European economic management and would transform the European Community and European Union treaties into a free-standing constitution for Europe, adjudicated by what is effectively an EU supreme court. So much for the House’s jurisdiction. It proposes easier censure of member states for failing to comply with EU economic policy and deficit guidelines by making such censure subject to the double majority system of qualified majority voting. It would remove the requirement of unanimity for the Council of Ministers to adopt economic measures to apply to member states. It would also confine on the Council of Ministers a mandate to lay down fresh detailed rules and definitions for the excessive deficit procedure protocol. That is all in addition to existing treaty provisions on economic policy co-ordination and so-called multilateral surveillance of member states as well as the notorious dead letter of the stability and growth pact.

We are not considering only technicalities but jobs, public services, realistic growth and public expenditure levels. The stability and growth pact was never a workable instrument but its recent killing off by France and Germany has created a new crisis.

We are not considering only technicalities but jobs, public services, realistic growth and public expenditure levels. The stability and growth pact was never a workable instrument but its recent killing off by France and Germany has created a new crisis. The supposed solidarity of EMU has been exposed as a sham. France and Germany originally intended the proposals to contain the profligacy of, for example, Italy. However, by breaking the pact they have undermined the rule of law and they have done so with the disgraceful connivance of the British Government.

The United Kingdom is complicit in the destruction of the stability and growth pact. With Sweden, it opposed the redrafting of article III-88(1) of the draft European Constitution on the adoption of measures for the eurozone on economic policy co-ordination and excessive deficits.

The European Constitution will have an upward effect on our tax system

Increasing functions are being created for the European Union. As I pointed out to the co-ordinating strategic planner of the Commission in the Select Committee on European Scrutiny the other day, creating more functions leads to more costs and more requirements to pay them. The European Constitution must then be re-examined as it states that the Union has to provide the means to support the objectives. The money will come from taxation. The European Constitution will have an upward effect on our tax system.

Let me deal with asymmetric shocks. The economists have warned about that for some time and now Ireland is experiencing rampant inflation, Germany, Italy and the Netherlands are in recession and Portugal is an economic disaster zone. The internal contradictions of EMU have their own dynamics. They create not diversity but chaos and we will be affected, whether we are in or out.

Monetary union has managed to create the worst of all possible worlds for the eurozone: regional imbalances of inflation and deflation, at first a low and now a damagingly high exchange rate, low growth, high unemployment, treaty obligations broken in every direction, bitter recriminations and a shattered illusion of moral unity.

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What is proposed is more of the same, whereas we need a fundamental rethink about all this, not only in the United Kingdom but in the rest of the EU.

The Union’s plans for economic management are dirigiste – their approach is almost Soviet – and they are unrealistic and unworkable in a democracy because they bear no relation to what people want. But they will have massive effects on people’s daily lives, and on regulation, competitiveness, productivity, the social market economy, levels of public expenditure, hospitals, schools, public services and unemployment, as I pointed out in the economic debate about Maastricht all those years ago.

There is also the other requirement under the charter concerning the length of the hours that people work, which will have a tremendous impact on our hospitals, as we saw the other day. There is also the right to strike, which even a Labour Government has not introduced. Even if the UK never joins the euro, our export markets will be affected by it, and our domestic economy remains subject to economic and monetary union.

This Constitution must be rejected. There must be a far-reaching, fundamental renegotiation that addresses the reality, not the false vision of the Euro-élite. Does the Chancellor of the Exchequer agree, and if not, why not?

Bill Cash is the Conservative MP for Stone and Chairman of the European Foundation.
The European Constitution Will Change Our Future

Václav Klaus is the second President of the Czech Republic, having succeeded Václav Havel earlier this year. He is an extremely experienced and successful Czech politician, having been Prime Minister for four years as well as Finance Minister immediately after the Velvet Revolution. Václav Klaus has been very active on the international stage – and at fighting for the freedoms of his citizens. In July this year he hosted the Prague meeting at which Iain Duncan Smith delivered his vision for a New Europe. Here he writes about where the proposed European Constitution has gone wrong and outlines his vision for the future of Europe.

When I heard several years ago about the idea of a European constitution, I hoped it was just a wishful thinking of European centralists and federalists and not a realistic project. For I wish, the same as a great part of Czech population, the construction of the European Union was based on nation states and not individual citizens (the basic units of every democratic state). That is why I believed the constitution was not necessary.

Then a rather unexpected shift occurred. Following the general criticism of the tens of thousands pages of chaotic European legislation as well as of the unclear definition of the Union and its potential future development incomprehensible for its citizens, some people began considering the idea of a brief document (that might be called a constitution), which would codify the basic relations of integrating Europe. It should clearly define the extent of such integration and set the limits to its development in future. It might stop the creeping unification of Europe, which I was not the only one to criticize in the past and which has been – since the times of Jaques Delors – managed by the bureaucrats from Brussels behind the back of the continent’s population, behind the back of the citizens of individual member states.

Yet, it is not inevitable because it is a result of free decision made by human beings and not a law of physics. We have the right to accept or refuse it.

We are to believe it is an ‘objectively’ inevitable step and in fact a beneficial one. Yet, it is not inevitable because it is a result of free decision made by human beings and not a law of physics. We have the right to accept or refuse it. If Europe did not maintain this freedom of decision, the situation would be really bad. Furthermore, such a step is not beneficial either. It will definitely weaken European democracy and deepen the ‘democratic deficit’ existing in all supranational structures and the advantages of a nation state will disappear. The important elements of decision making processes will be moved from Prague, Madrid or Helsinki to Brussels, the pressure for further unification (or harmonization) measures aiming at artificial and unnatural uniformity of Europe (figuratively speaking a search for a one size suit to fit all, thin or fat, small or tall) will grow.

I certainly do not oppose European integration. I believe it will be beneficial if Europe reaches an agreement on the same road signs, the same import duties from third countries, the same labeling system of goods and if European nations share the same cultural and civilization values (concerning the capital punishment, organized crime, illegal trade with people and goods across borders, extremist movements, etc.). However, due to different economic levels, to the different stage of social development and to cultural and political traditions of individual countries, it would be in fact harmful if we were to introduce uniform ‘eintopf’, if all were to have the same interest rates, taxes, social benefits, economic policy, foreign policy, the same share of domestic and foreign, European and American films in our televisions, closing hours in our shops, the same alcohol content in our beer and thousands of other things same.

This is the core of the current debate about European constitution. And still, this is what is often suppressed or underestimated. Many European governments (including ours and particularly our Foreign Ministry) act as if the only problem to solve was the relative representation of individual countries in the Union institutions. Yet, I am convinced that if we accepted this document as it stands today, if we remained silent or falsely loyal, we would participate in the decision to set off from the current crossroad of European history in the clearly federalist or even supra-nationalist direction.

We should all consider it again. And if we can define our own position, do not let us be shouted down for being anti-European. We may be against the European superstate but we may strongly support reasonably integrated, free, and productive Europe.
M ANY PEOPLE LIKE Tony Blair. Many do not. That is in the nature of his job. Regardless of feelings towards him, it has become impossible to claim he has a grip on his job, his cabinet, his party or his country at this moment. From tuition fees to the Iraq war he has failed to be the figure of unity he once was. And now he is losing this image on Europe too.

What his cabinet ministers have meant recently is anyone’s guess. There are more than two sides to take. Everyone appears to be going their own way, without any sign of leadership in sight. The only person trying to stay in the shadows is the one who ought to be in the spotlights – the Prime Minister.

In the red corner we have Gisela Stuart – the lightweight, medium experienced, Blairite (although that is now in doubt) politician. She also had the pleasure of representing the UK on the Praesidium that wrote Giscard’s Constitution. In the green corner we have Denis MacShane – weighing in as a borderline super middleweight and Blair’s Europe Minister. Training the two fighters are two heavyweights. In the red corner is heavyweight Gordon Brown and for this match (along with a selection of other competitors) he will be countered by the heavyweight champion, for the moment at any rate, Tony Blair, in the green corner. It may not be usual to have the trainers throwing punches but who said this was an average boxing match?

To start the match – which is bound to go to an unprecedented number of rounds – Tony Blair announces that the European Constitution is “good for Britain, and good for Europe”.1 Even before the real fight is underway, Gordon Brown lands a direct hit on his opposite number, stating, “we must explicitly reject old flawed assumptions that a single market should lead inexorably to tax harmonisation, fiscal federalism and then a federal state.”2 (These are all elements of the ‘good’ Constitution that Blair is supporting.)

**“This constitution is the most important political issue facing Europe today. The government does not have to accept it.”**

Gisela Stuart

At this point the pair that are meant to be in the ring are looking as though they are taking a back seat role. A thought flashes across Gisela’s mind – “I helped write this thing – I need to get my punches in.” So, on Sunday 7 November 2003 the infighting began. Her opening gambit – in a pamphlet for the Fabian Society – made it clear that she does not agree with many of the sentiments of the Constitution, nor the way in which is was written. In her own words; “This constitution is the most important political issue facing Europe today. The government does not have to accept it.”3 Her right hook hit trainer Blair square on the jaw. She’s well regarded amongst the green corner’s supporters. She had swapped sides. What was going on?

Tony Blair looked on at the fight, ignoring Jack Straw who just seemed to be swinging from the overhead lights from side to side, and decided that it was time his super middleweight entered the fray – or did Denis MacShane do that on his own, was what the audience wanted to know. MacShane leapt into the ring and threw a blinding uppercut, “The British position is very clear. We want an agreement this week. Rather than hoping to get a 100% perfect EU constitution, we should get back to concentrating on the pressing problems of employment and economic growth.”4

Unfortunately, MacShane’s punch did not hit anyone in the red corner. The crowd hissed with disapproval and it was reported by the Sun, amongst others, that he came out looking like a limping fool. His name was, from that moment on, referred to in the tabloid press as MacShame. Now Blair’s corner is looking a little the worse for wear. The subtler techniques of his challenger, Gordon Brown, seemed to be having a much greater impact.

Then there is Blair’s health. No boxer can win when he is not fighting fit – nor if his trainer is too ill to instruct him. Blair’s deteriorating health is showing. His party is disunited; his team are squabbling in the ranks. Brown is eagerly anticipating developments. He is looking supportive and patient. He is waiting in the wings for the chance to throw a KO punch. Brown doesn’t care which fight it is that wins him the heavyweight crown, nor if he hits below the belt – just so long as he wins. His entourage are longing for Blair to throw in the towel.

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1 The 10 Downing Street Press Office http://www.number-10.gov.uk/output/Page4433.asp
2 From an article by Gordon Brown in The Daily Telegraph 5 November 2003
3 The Making of Europe’s Constitution by Gisela Stuart for the Fabian Society.
4 The Guardian 8 December 2003 http://politics.guardian.co.uk/eu/story/0,9061,1102439,00.html

Annunziata Rees-Mogg is Editor of the European Journal

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**How to Run a Country – into the ground**

by Annunziata Rees-Mogg

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**news in brief**

**Key lies in Washington**

According to Le Monde, Tony Blair is waiting for a green light from Washington before signing up to the new EU military headquarters. The agreement, which was to be signed this weekend, and which was to be based on the recent tripartite agreement between Britain, France and Germany to set up a planning centre independent of NATO, is not yet in the bag. Paris and Berlin argue that the mutual defence agreement, and the so-called ‘structured cooperation’, both of which are supposed to be included in the Constitution, must go together with the new military headquarters. So if the British do not get the go-ahead from the Americans about the new HQ, then the whole agreement might collapse.

London is trying to convince Washington that the agreement will not undermine NATO. In addition, it will require astonishing verbal gymnastics to find a form of words which will reconcile the neutrality of four EU states with a constitution which contains a clause obliging all members mutually to defend one another, if at the same time a small group of those states, acting under “structures co-operation”, is able to undertake military operations in the name of the EU but perhaps without the approval of all EU states. There are still outstanding disagreements about how big a majority of states should have to vote for military actions. [Laurent Zecchini, Le Monde, 9th December 2003]
Americans for a Referendum

by Daisy Prince

GREAT BRITAIN is facing one of the biggest challenges to its political independence following Tony Blair's announcement that he will impose a European Constitution on the British people without a referendum and will therefore change Great Britain's political landscape forever. From the moment that the European Constitution is implemented Parliament will no longer be the highest law in the land and the British people will have given away their sovereignty, probably forever.

The clearest reason for a referendum on the European Constitution is simple: the British people have a good model of government that has evolved during 1000 years of rule and for one man sweep away all that history without giving the public a vote is a terrible misuse of the power. Tony Blair’s refusal not to offer a vote on the European Constitution is the single greatest act of parliamentary abuse since Oliver Cromwell dissolved Parliament and declared himself Lord Protector in 1653.

As an American living in Britain I often try to draw comparisons between our two countries, obviously we share a history and a language as well as similar forms of government. But we are very different in one respect, although both countries have a constitution, the American version is a codified document whereas the British model is not.

There is a very good reason the United States has a written constitution and Great Britain does not; the United States of America exploded into existence over a relatively short period of time and its leaders felt they needed a concrete plan from which to build a nation. Great Britain’s political structure has developed over a thousand years, therefore there has never been the need to create one document that would define the British system of government.

The American Constitution was a necessary step in the development of the country. After the Americans won the War of Independence in 1776 there was widespread bickering among the state governments as to how the new country should be governed. It became evident that a strong central government was needed. However, during the Constitutional Convention of 1787 when the United States Constitution was drafted, America’s founding fathers were very keen that no group within society, no matter how numerous, should have unrestricted authority. They looked upon political power much as we today view nuclear energy: a force with tremendous potential for mankind but one easily misused and therefore dangerous to unleash. Fueled by a desire to keep all the states equal they made the radical decision to draft an entirely new frame of government in which power would be divided and there would be a system of checks and balances ensuring that no one segment of government would end up any more powerful than any other.

A document as complex and controversial as the Constitution naturally excited arguments throughout the United States, and, influenced by the widespread approval of the decision of Massachusetts to submit its state constitution of 1780 to the voters for ratification, the framers of the Constitution provided that their handiwork be ratified by special state conventions. Even Alexander Hamilton, one of the biggest proponents of the Constitution, said, “We can only propose and recommend – the power of ratifying or rejecting is still in the States… We ought not to sacrifice the public good to narrow scruples.” If men creating a nation over 300 years ago were nervous about steam-rolling ahead without procuring the opinion of their fellow countrymen how can Tony Blair and the Labour Government dare to impose a European Constitution on Great Britain without allowing the British people a vote on it.

The reality is that Great Britain doesn’t need a codified constitution; the political system has been working well ever since the Glorious Revolution of 1688, and Tony Blair knows it. He knows that if he gave Great Britain a vote on the European Constitution it wouldn’t pass. He knows that a British constitution exists but it is simply a more flexible institution than the one that exists in America. The British system has its advantages and disadvantages but one of the starkest contrasts with the political system in the US is the amount of power concentrated in Parliament and the governing party. The fact that the Labour Government is legally powerful enough to drastically alter the course of British history without any concern for the thoughts of its citizens is wrong and could very well be disastrous for Britain’s political future.

One immediate effect of the European Constitution would be the re-evaluation of the ‘special relationship’ that Great Britain has with the United States. America and Great Britain have had a special relationship since the Second World War. Tony Blair has had a close and successful relationship with President Clinton just as he now has a good relationship with President Bush. It has worked well for both sides of the Atlantic but with the possibility of a European Constitution on the horizon, closer ties with the Continent might have a direct cooling effect on this sizzling romance. The War in Iraq has provoked a diplomatic cold war between the US and several European nations. Does Great Britain really want to draw itself closer to countries that do not share the same concerns about foreign defence?

The biggest concern about the European Union, and one that will have a dramatic and lasting effect on the lives of every British citizen, is the ever-increasing role of an unelected and uncontrolled bureaucracy in Brussels. Bureaucracy is to be avoided for capitalist nations, the ‘experiment’ of communism taught us what can happen when bureaucracy is allowed to grow unchecked. The European Union already has too much power over Great Britain, you only need look at the Common Agricultural Policy and the disaster it’s created for a prime example of what can happen when government is allowed to bloat out of control. The uncontrollable red tape that would inevitably come with this Constitution would add thousands of useless jobs for a government that is already very bloated.

The question that remains the most puzzling is the apathy with which the British seem to be taking Mr Blair’s dictum. Sometimes the British can be too law-abiding and go along with bad decisions too quietly. If Great Britain wants this constitution that’s one thing, but to let one person change the course of their history without even a backward glance is ludicrous. C’mon Britain, make Tony give you the vote and decide your own future.

Daisy Prince works for the Managing Editor at Tatler having been a journalist specialising in research and political affairs.
A Rather Curious Incident
by Colleen Coghlan

A rather curious incident took place recently concerning the ever-continuous British and American relationship and the ever-strenuous British and European one.

The day before the official state visit to Britain from President George W. Bush, Secretary of State Colin Powell spent the day in Brussels discussing the European Constitutional Treaty plans and defence cooperation between all EU member states. Initially, the idea of an EU common defence sparked concern overseas as Americans envisioned a European super power that would directly challenge the concept and principles of NATO. Prior to Powell’s visit, the United States made this apprehension very clear. “I personally will be watching carefully to see how things evolve, because we have so much at stake with that [NATO] alliance,” stated US Defence Secretary Donald Rumsfeld, in March 2001 in an interview with the Daily Telegraph. “We need to be vigilant to see that we don’t do anything that could inject an instability into the alliance.”

This has been the attitude of many overseas.

On the Monday of that week, the UK Defence Secretary, Geoff Hoon, warned other EU nations against any moves on defence cooperation that could harm the transatlantic relationship. Amidst these warnings, it was expected that Powell would announce the new American policy on an EU common defence. The next day, Tuesday, 18 November, Powell and the United States seemed to calm down a bit after reconfirming that “NATO must remain the key to transatlantic security,” the idea of a European defence force appeared to be given the ‘Okay’. “The United States wants a united and expanded EU,” stated Powell, “We support all the initiatives that are underway to expand the European Union in the security field.”

These initiatives are clearly laid out in the newly drafted Constitution, in attempt to quickly rectify member states anxieties and desired amendments. Unfortunately, for those in favour of constitutional unification, it is this new draft that seems to be causing quite a stir in the rest of Europe and many countries have now, weeks before the Constitution was hoped to be signed, expressed disapproval and even anger.

However, all seemed a success for both Europe and Britain that Tuesday when Italian foreign minister and EU president, Franco Frattini, expressed his strategy on persuading America. “I and other colleagues said in friendly terms to our friend Colin Powell that he can trust us in this process, also on defence which will never be an alternative to NATO,” he said. With Frattini’s ability to sell and Powell’s ability to compromise, the day started off with what seemed like a victory for all three players. Europe got what they wanted; an overseas approval on the defence issue. Britain now had America off its back with worries of NATO infringement and America began a rather important state visit looking less unilateral with the desire to move forward in foreign negotiations and policies. EU defence, an international source of recent tension, appeased, or so we thought…

On the other side, the European Constitution was finally stopped in its tracks by the British … surprising, actually very surprising indeed. While Powell enforced US backing of a bigger European role on the world stage, Britain was reviewing the redrafted constitution and deciding that these very defence issues, giving up more powers on defence, were not suitable.

That same Tuesday, it was announced that Poland and the UK had formed an alliance on the EU Constitution the previous evening. Before an audience of Polish journalists, UK Foreign Secretary Jack Straw and Polish Foreign Secretary Wlodzimierz Cimoszewicz, stated that all changes in the Constitution must be agreed upon by all states and if no compromises were made, the Nice Treaty should be the ‘default setting’. Both Warsaw and London share the same ideas on defence and qualified majority voting and see NATO as the axis of European defence and do not want its power to be threatened in any way. The announcement came in wake of a Franco–German union announcement. The importance of the Anglo–Polish announcement however, lies in the fact that until now, Britain and New Labour have been almost adamant about pushing ahead with the Constitution and Tuesday’s announcement showed the first real signs of Government hesitation.

While a surprise for many, the timing was impeccable. The next three days brought heightened security, peaceful but large protests and Bush. Bush and Blair spent the visit posing for pictures and reinstating the Anglo–American collaboration in rebuilding Iraq, the fight against terrorism and a steadfast Anglo–American partnership. However, what is telling is the amount both nations were willing to concede before this meeting. America chose to show up in England with a renewed vision of European defence, perhaps to ease some potential tension that may have aroused. In the same 24-hour span, Britain chose to express concern on defence issues in the Constitution, perhaps to better show America that they were highly cautious of the implications it may pose on NATO. By default, Britain has found itself the only true working bridge between Europe and America but still is learning how to balance these two equally.

So what do we make of this? Three possibilities: Was this an attempt to continue building British-American relations? Or was this just a coincidence showing Europe moving ahead like clockwork? One more, an attempt by British Government to show its citizens that major issues were being analyzed as polls have been indicating that many citizens would prefer a referendum?

Since then, Straw has stated that the Constitution, while “desirable” is not “absolutely necessary”; He argues, logically, that while the Constitution is important for the European Union, the EU has been successful for many years without one. However, immediately after Straw’s declaration, Downing Street is scrambling to announce that Blair does not expect failure at the upcoming Brussels summit, where the Constitution is to be ratified.

This split set of opinions within the Cabinet is telling. The Government does not know what it should now do with the Constitution. With one of its most important allies and trading partners placing stress on defence issues, it was decided to show signs of review and study, convincing America that an EU defence would not hamper its own defence creation: NATO. It then moved to announce that the Prime Minister is still predicting success in Brussels in order not to dampen European hopes or create any European bitterness from those expecting the British to ratify the Constitution in the upcoming weeks.

The Constitution is still in a state of indefinable answers and confusion remains
the main problem. Confusion surmounts from other nations separate from the EU, member states, European citizens and European governments. What was accomplished in that week was a strengthening in British–American relations and American–European relations but it appears the
British–European relations will remain a bit strained until Britain makes a decision on the Constitution. With many saying one thing and acting another, the Constitution remains a battleground of debate. As for the desired ratification in the next few weeks, we will have to wait and see if governments
can come to their senses and act on these issues properly.

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Sport

by Greg Broege

Sport is one of the most popular human activities. This has led to great interest in professional sport. Professional sport has great social significance, and is becoming a major economic player – it accounts for 3% of world trade. The EU has used this popularity as a method of increasing European integration. The EU has developed European championships and youth sporting programmes in an attempt to bring the people of Europe closer together. But it actually increases national competition between the states. Also EU regulation and law has changed many things about the British sporting community, mostly for the worse.

Sport is indirectly affected by many of the European Union’s policies. In an economic sense, according to the 1974 Walrave judgement, sport must comply with Community law to the extent that it constitutes an economic activity. This includes the provisions relating to the free movement of workers. The most notable example of this was the highly publicised Bosman case from 1995. Mr Bosman was a Belgian footballer that played for the Belgian football first division team of R.C. Leige. He claimed that the Belgian Football Federation and UEFA-FIFA transfer rules had prevented his transfer to US Dunkerque, a French team. Mr Jean-Marc Bosman brought a case to the European Court of Justice about these transfer rules. He stated that transfer rules and nationality clauses were not applicable to him because they were incompatible with the Treaty on Rome rules of competition and the free movement of workers. Mr Bosman eventually won his case. This greatly affected all professional sport teams in the European Union.

One of the biggest effects was the influx of foreign players to professional teams. Premiership teams who used to have a large number of English players became almost all foreign. In 1999, Manchester United had only four English players on their squad. Some pro-Europeans have said that this brings social integration and warm feelings towards other countries. This is highly disputable. Some British people become more hostile towards non-UK citizens because they would prefer to see more of their own boys playing. So trying to bring EU countries and citizens closer together through this mechanism clearly does not work.

From a sporting standpoint this also hurts the English national team. Instead of developing players in national leagues, they are developed for other countries. This is quite curious when the current Government spends hundreds of millions of pounds every year on the development of grassroots football programmes. Why spend so much money on developing talent at the lower stages, but completely ignore the continued development of talent and skill at the higher levels of football? This obviously does not help England in its quest to relive the glory of 1966. Maybe this is why being the manager of the England football team is often described as the worst job in England.

Economically speaking, the freedom of movement of players has driven up competition for the best players. Also it has eliminated any blocking techniques of players signing with clubs from other countries. The Bosman ruling made it clear that when a footballer’s contract from a club in one member state expires, the club may not prevent the player from signing a new contract with another club in another member state or fail to agree to a transfer fee payment for the player. This ruling was positive for the players, as now they can sign wherever they want and they can demand far greater sums of money for their services. Unfortunately this free movement and rise in salaries has negatively affected the fans. Football, which used to be seen as the sport of working class, has seen its ticket prices rise drastically since the Bosman ruling. Although in recent years some clubs like Chelsea have frozen ticket prices, these prices are still high. Plus the reason for the ticket price freeze was not one of compassion for the dad bringing his sons to the game – it was because attendance had fallen as the core fan base could no longer afford to watch their team play live.

EU laws have drastically affected professional sport. Their attempt to forge cohesion through competition has been a failure; it has created nationalism not Europeanism. Sport will be further affected with the joining of ten new member states and the possible passage of a Constitution with further regulations that would be imposed on all areas of life including sport. This could mean even less development of our own players and perhaps one day the merging of leagues, which would mean the loss of the premiership. This seems outlandish but take note that the EU Commission reported to the European Council that neither the preservation of the existing structure nor the maintenance of sport’s social role in the Community can be guaranteed. So expect the unexpected.

Greg Broege is a Student at Florida State University and a research assistant at the European Foundation.

...news in brief

German Defence Minister calls for stronger EU

Peter Struck has said that he wants the EU to have a stronger role with respect to NATO and the USA. Speaking at a congress on defence policy in Berlin, the German defence minister said that NATO was the first choice for crisis management operations, and that America and Europe were the first choice for each other. But he said that in the transatlantic alliance it was a matter of burden-sharing and responsibility. This meant that it was necessary to accept that Europe would not always necessarily agree with the US. [Deutsche Presse Agentur, 9th December 2003]
Facts
by the European Journal Staff

1 Not even a slap on the wrists
France and Germany are to receive no reprimand for failing to meet Stability and Growth Pact restrictions on budget deficits. The Commission’s recommendations for actions to be taken against the two offenders were rejected on 25 November by EU finance ministers. The Council adopted conclusions by QMV that give France and Germany until 2005 to get their budgets in line.

Europa Newsletter, 10 December 2003

2 Porn Star eyes up being an MEP
Czech porn star Dolly Buster says she wants to “represent the Czech Republic’s interests in Brussels.” The porn star – who has hundreds of X-rated films to her name – promises her campaign will be based on “contact with people.”

Ananova, 10 December 2003

3 Macedonian Interest
Foreign Minister Ilinka Mitreva will submit Macedonia’s application for EU membership before the end of February 2004. The announcement was made at a meeting of EU foreign ministers and five Western Balkan countries on 9 December. Mitreva stated her country’s intentions, “Macedonia does not ask for concessions or short cuts, we are committed to hard work and we will accomplish the necessary criteria.” EU Commissioner for External Relations Chris Patten gave no definitive answer on whether or not the application would be welcomed.

EUobserver, 10 December 2003

4 EU popularity waning
A new poll published on 10 December by Eurobarometer indicates that support for the EU is falling. The survey of 16,000 people showed a six per cent drop in those who think the EU is a ‘good thing’. The numbers of those who view the EU as a ‘bad thing’ rose by 4 per cent. Support for the Constitution is still overwhelmingly high, with 62 per cent in favour, but the euro has fallen in popularity with a 9 percent loss in the eurozone countries. At 67 per cent in favour, support for the euro is still strong, but the big three eurozone members are experiencing a slightly bitter taste – an 11 percent drop in approval ratings in Germany; 8 per cent in France; and 13 per cent in Italy. Whilst the average across Europe does not show an absolute majority in favour of the EU, the UK is still the only country with a majority against.

EUobserver, 10 December 2003

5 Tory Policy on the European Constitution
Michael Howard has said he will fight the next general election on a pledge to unravel the new EU Constitution and negotiate a better deal for the UK. When he was asked specifically whether he would try to renegotiate the deal if the UK had already ratified the Constitution but other members were still in the process, he said: “Yes.”

The Times, 10 December 2003

6 German military are planning a Euro-army
The German military high command wants to create a fully-fledged European army that reports to, and is funded by, a European Union Government. The Conservatives obtained a memorandum written by senior German army officials that proves Blair is deceiving the British people by claiming there are no plans to create a unified EU military force. The memo reflects a common view at the highest levels of the German military that the most effective and efficient defence would be achieved by the full pooling of national resources. The document states that, “The EU army would report to the EU government and to the EU Parliament. Through a deployment law Parliament should decide if deploying troops is an option or not.” It also suggests that nuclear capabilities should be “integrated within the European Defence System”.

The Times, 24 October 2003

7 Young drink drivers targeted
The Commission and local governments in France and Benelux have joined forces with three young drivers associations and declared Saturday, 25 October as the first ever ‘accident-free night’. Half funded by the Commission, the night targets 18-25 year olds, an age range highly susceptible to the dangers of drink driving. In fact, the EU argues that “Out of 40,000 deaths per year in the EU, there are 8,500 young people of 18-25 years, and 25% of them on Friday night and Saturday night.” The campaign is aimed at raising the awareness of safe driving in young clubbers and bar-hoppers. In Belgium, for instance, party-goers can receive a prize if they pass a sobriety test at the end of the evening. If the alcohol test is failed, alternative modes of getting home will be arranged for the individual. The Commission’s goal in organising the event is to enhance the performance of their recently passed road safety action plan, which aims at cutting road deaths in half over the next decade, by involving more than just policymakers in plans of action.

www.europa.eu.int, 24 October 2003

8 Blair tries to avoid EU slow lane
Tony Blair is to have an emergency meeting with his French and German counterparts as a two-speed Europe is considered – leaving those who do not ratify the proposed Constitution in the slow lane. The meeting of the three leaders is to take place in advance of the Intergovernmental Conference on 12/13 December.

The Daily Telegraph, 10 December 2003
Reflections on the Débacle at Cancun

By Ronald Stewart-Brown

The sudden and perplexing collapse of the World Trade Organisation’s Fifth Ministerial Conference in Cancun on 14th September was a terrible disappointment after all the high hopes generated at Doha two years ago.

There was and there remains potential net upside for every WTO member country in a successful Doha round.

The World Bank recently estimated that the reduction in trade protection resulting from a successful ‘pro-poor’ Doha round (officially known as the Doha Development Agenda) could raise global income by some US$ 520 billion (nearly two per cent of world GDP) by 2015. Of this income increase around US$ 350 billion would accrue to developing countries, over six times the US$ 57 billion of economically less useful development aid given to them by the OECD countries in 2002.

All that was required in Cancun was for consensus to be reached on the ‘modalities’ or outlines for the envisaged final 15 months of negotiations before their scheduled completion in December 2004. None of the main ‘hard number’ issues needed to be tackled. Neither of the two problem areas, the so-called Singapore issues and agricultural subsidies, should have led to an impasse at this stage.

This article will explain why our country, as the European Union is in the world of trade negotiations, must bear the brunt of the blame for the débacle in Cancun. It will also argue that the general tenor of British press comment so far as to the implications of Cancun for the future evolution of world trade is unduly pessimistic. But first it will assess the role of the country that most British businesses and people still like to think of as theirs, the United Kingdom of Great Britain and Northern Ireland.

Britain Marginalised from the World in Cancun

Foreign affairs, as Charles de Gaulle told Harold Wilson at Winston Churchill’s funeral in 1965, are a question of defence and commerce.1 Churchill, that passionate free trader who in 1904 had crossed the floor of the House of Commons in protest at Joseph Chamberlain’s imperial preference campaign, would surely have agreed. So would Friedrich von Motz, the Prussian trade minister whose success in bringing the Grand Duchy of Hesse-Darmstadt into Zollverein (customs union) with Prussia in 1828 led to the formation under Prussian leadership of the German Zollverein in 1834 and the subsequent creation of a German single or internal market. Otto von Bismarck, who used military success to complete the German unification process in 1871, would also have taken the point.

But when Tony Blair states his intention that foreign policy will remain a core national competence under the proposed EU constitution, we must charitably assume the point has eluded him. For the fact that Britain ceded Brussels control of that essential element of foreign policy called trade policy, when she joined the Common Market in 1973, remains poorly understood to this day, even in the highest places.

Certainly, it was public knowledge that accession would mean an end to the cheap duty free food that was a central benefit of the Commonwealth. But somewhere in Whitehall it must have been realised that there was no way that the UK losing control of her external trade policy could be reconciled with the then necessary claim that accession to the European Economic Community would entail no essential loss of national sovereignty.

In retrospect there could have been no clearer indication of the Community founders’ statist aspirations than their conferral of exclusive competence for trade policy on the EEC in the Treaty of Rome. Unlike the apparently vague “ever closer union” clause in the Treaty preamble the Common Commercial Policy, as it was later renamed, was concrete.

Under Article 133 of the EC Treaty, whilst the Council of Ministers is the formal decision-maker on trade policy matters it is the Commission that has effective tactical control of the decision making process. Only the Commission can make recommendations or proposals to the Council, and the Commission dominates the briefing process. On specific issues individual Ministers will generally be ill equipped to put forward alternatives as their domestic officials will be party to the Commission’s recommendations, having served on the Brussels committees which developed them. As the Commission always chairs such committees it is in a good position to manage the decisions that emerge from them.

The Commission also has the sole right to conduct international trade negotiations, within mandates authorised by the Council. During negotiations much of the Council’s power is delegated to the so called ‘133 Committee’, which the Commission is required to keep informed and to consult with regularly. Whilst its precise mode of operation remains secret it is safe to say that the 133 Committee, which is supported by large numbers of expert groups, acts more as an extension of the Brussels bureaucracy than in expression of the democratic wills of the EU’s peoples.

With the Council nominally in charge it might appear that the EU manages its trade policy on an inter-governmental as opposed to a supranational basis. But in practise, the only influence that member states can normally exercise over the Commission is the negative power they can wield by mustering the 26 votes needed to form a blocking minority on the Council of Ministers.

26 happens to be precisely the number of votes in the hands of France (10), Spain (8), Greece (5) and Ireland (3). These four countries, which together received €8.0 billion of net farm aid from Brussels in 2000, together have the power to override the wishes both of Brussels and of Germany, the UK, the Netherlands and other net contributors to Brussels’ farm aid budget. And it is reasonable to infer this is just what they have been doing.

By contrast EU member states have very little positive power to influence Commission trade policy. When Leon Brittan was British EU Commissioner with responsibility for trade he could fairly claim that the UK was exercising real influence over EU trade policy, as he showed by outmanoeuvring the French on agriculture during the final stages of the 1986–94 Uruguay Round. In normal circumstances, however, far from ‘punching above our weight’ in trade policy matters, the UK can hardly punch at all.

The truth is there was nothing the British ministers present in Cancun (Patricia Hewitt, Mike O’Brien, Margaret Beckett and Baroness Valerie Amos) could do to influence the outcome of the conference. In reality they will never be more than
Commission spokespersons, and not especially well-informed ones at that. When one British journalist attacked Luis Ernesto Derbez, the Mexican conference chairman, for having terminated the talks prematurely, although Patricia Hewitt had remained convinced there was a deal to be done, he had to be gently reminded that the UK delegation was not present at the negotiating table. Our chief negotiator in Cancun had of course been EU Trade Commissioner Pascal Lamy.

Even for many European Journal readers it must be difficult to grasp that the UK has completely ceased to be a country for the purposes of international trade. But the effective absence of their former mother country from the negotiations in Cancun would not have surprised the other Commonwealth trade delegations present. The Commonwealth representatives, all fully in control of their own trade policies, would have known only too well that the UK had given up control of hers three decades previously.

Six Commonwealth countries had particularly notable parts to play in Cancun. The Indian and South African trade ministers, Arun Jaitley and Alec Irwin, were prominent as leading members of the G21 Group (see below), fighting honourably for their respective countries' best interests as their governments saw them. And of the five ministers given the important 'conference facilitator' role for specific areas of negotiation no less than four were from the Commonwealth: Pierre Pettigrew (Canada), Clement Rohee (Guyana), Mukhisa Kituyi (Kenya) and George Yeo Yong-Bon (Singapore).

But it would hardly be sentimental to imagine that some Commonwealth trade ministers would have loved to see the UK in the centre of the Cancun negotiations fighting for her traditional free trade beliefs. The Britain that broke the slave trade would have known what to say about the heavily subsidised Italian tomatoes that have rendered destitute the tomato farmers of Italy. The Britain that would have known what to say about the heavily subsidised Italian tomatoes that have rendered destitute the tomato farmers of Italy. The Britain that broke the slave trade would have known what to say about the heavily subsidised Italian tomatoes that have rendered destitute the tomato farmers of Italy.

The EU as Chief Culprit

WTO trade negotiations are formidably complex, but in Cancun there were two main big problem areas, the so-called ‘Singapore issues’ and agriculture. In both cases it was the EU’s unreasonable negotiating position that was the prime problem. On the evidence available the EU and Commissioner Lamy must bear the brunt of the blame for the débacle in Cancun.

The EU’s failure to achieve its objectives was certainly not for want of numbers. Its total representation in Cancun numbered no less than 666 persons: 93 from the Commission, 7 from the Council and 566 from the member states, including 45 from the UK. What most of them thought they were doing is unclear. The world’s only other trade superpower, the USA, made do with just 212.

Singapore issues

Since the WTO Ministerial Conference at Singapore in 1996 the EU has been pushing for four new areas to be brought into the WTO ambit: cross-border investment, competition, public procurement and trade facilitation. The USA has consistently resisted the first two, in particular, on the grounds that they would they take the WTO firmly into supranational territory. And many of the developing countries, having already found the rules of the WTO Agreements difficult to implement, not unnaturally bridled at the prospect of having also to live with the complicated new rules the Singapore issues would entail.

Doha round well into the last day of Cancun. Eventually he was willing to drop investment and competition, but by then it was too late. Several of the ACP (Africa, Caribbean and Pacific) countries insisted on having all four issues out whilst Korea and Japan still wanted all four in. Reasonably concluding there was no possibility of consensus, Mr Derbez called the conference to a close.

It is impossible to put any favourable construction on Brussels’ handling of the Singapore issues. They were unquestionably peripheral to the main trade liberalisation thrust of the Doha round. The initiative for their inclusion certainly did not come from the peoples of Europe. With Korea and Japan in apparent league with the EU over agriculture there were grounds for suspecting the real reason Commissioner Lamy was so obstinate on the Singapore issues was to have something to concede at the last minute. If so, his negotiating tactics were ill judged. If not, the explanation can only lie with corporate lobbying and with the idiosyncratic bureaucratic decision making processes of the Commission.

Agriculture

Even after the major reforms to which the EU agreed in the Uruguay Round its Common Agricultural Policy remained substantially more protectionist than the USA equivalent, as shown in the table below. Unlike the USA, however, the EU is a major net importer of agricultural produce.

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**Comparison Between Key Measures Of EU And USA Agricultural Protection**

<table>
<thead>
<tr>
<th>Measure of protection</th>
<th>EU (US$ billion)</th>
<th>USA (US$ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export subsidy expenditure in 2000</td>
<td>2.0</td>
<td>0.02</td>
</tr>
<tr>
<td>Maximum trade distorting domestic support permissible under present WTO rules (WTO ‘amber box’ category)</td>
<td>67.0</td>
<td>19.1 (i)</td>
</tr>
<tr>
<td>Average allowed tariff (ii)</td>
<td>More than 30 per cent</td>
<td>12 per cent</td>
</tr>
<tr>
<td>Agricultural trade in 2001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imports</td>
<td>80.0</td>
<td>68.4</td>
</tr>
<tr>
<td>Exports</td>
<td>57.8</td>
<td>70.0</td>
</tr>
</tbody>
</table>

**Notes:**

(i) US trade distorting domestic support under the 2002 Farm Bill is explicitly subject to the above US$ 19.1 billion ceiling.

(ii) Average allowed tariffs are before preferences granted to developing countries. The comparison should be regarded as indicative rather than arithmetically precise.

(iii) The above table excludes the WTO ‘green box’ and ‘blue box’ categories of support schemes which are respectively deemed to have no distorting impact or only minimally distorting impact on international trade and are therefore not presently subject to any limitation under WTO rules.

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The above table excludes the WTO ‘green box’ and ‘blue box’ categories of support schemes which are respectively deemed to have no distorting impact or only minimally distorting impact on international trade and are therefore not presently subject to any limitation under WTO rules.
At Doha all WTO members had committed to substantial reductions in all domestic support linked to production and therefore considered trade distorting. The substantial ‘decoupling’ of CAP subsidies announced by the EU in June was certainly a major step in the right direction. However this reform left the EU member states significant discretion as to the extents they would decouple, and its precise quantitative effect can therefore not yet be determined. In the broad sense all subsidies are to some extent trade distorting, and there was no proposal to reduce the overall level of CAP support to EU farmers.

For the developing countries, fronted by the newly formed G21 group led by Brazil, China and India (see below), the proposed CAP reform was not enough. Not only would it not of itself have reduced the vast surplus of some categories of EU produce which are dumped on world markets to the detriment of developing country farmers. Perhaps worse, the EU in Cancun was proposing to renge on its commitment in Doha to phase out agricultural export subsidies, the most heinous trade distorting offence of all in WTO terms. (The phrase “without prejudging the eventual outcome of negotiations” which had qualified the EU’s commitment in Doha was widely considered to have been meaningless.)

If Cancun had not collapsed over the Singapore issues it surely would have collapsed over agriculture. Franz Fischer, the EU Agriculture Commissioner, insisted to journalists that the EU was showing flexibility at Cancun. But a determinedly intransigent French government briefing following Mr Derbez’ s final attempt at a compromise text left little room for doubt that they and a handful of other countries were digging their heels in hard as the conference moved into its final days.

If this surmise is correct the immorality is stunning. Maybe as few as four European countries (France, Spain, Greece and Ireland as explained above) were using their leverage over EU trade policy to protect the flow of farm aid they receive from other EU members. A small number of relatively rich EU countries were feathering their own nests at the expense of the multitude of poor countries the Doha Development Agenda was intended to benefit. And the UK was powerless to stop them.

The USA Not Blameless
During the run-up to Cancun the US had put forward some radical proposals for taking the Doha process forward. For industrial products the US had tabled a formula approach for the complete elimination of tariffs by 2015 (whereas the EU never called for more than substantial reductions). For agriculture the US had proposed that over a five year period export subsidies be completely eliminated, trade-distorting domestic support be lowered to a maximum of 5 per cent of the total value of any country’s agricultural production, and all tariffs be reduced below a ceiling of 25 per cent.

In July the US, recognising the EU had gone as far on CAP reform as its member states would let it, met with the EU (and also Canada for industrial products) in Montreal to agree on joint proposals to other WTO members. The resulting texts were, unavoidably, less ambitious than the original US proposals, but arguably this ‘cooperation’ approach augured better for Cancun than the alternative of the world’s two trade superpowers risking arriving there at open loggerheads.

It may be questioned how far the US administration had acted in good faith in signing the Farm Bill in March 2002 four months after having committed to substantial reductions in trade-distorting domestic support in Doha. In Cancun itself there were strong rumours that the US was using over-powerful tactics to try to split the G21 Group (see below). And arguably the US may have put principle ahead of pragmatism in refusing to single out for immediate concessions the four West African countries who mounted a vehement protest against the destructive effect on their cotton farming industries of US and EU cotton subsidies.

But subject to these qualifications one could accept at face value US Trade Representative Robert Zoellick’s claim that the US had come to Cancun ready to negotiate flexibly and constructively. Quite reasonably he distinguished between “can do” and “won’t do” countries. In no way could the same level of blame for the talks’ failure be ascribed to the US as to the EU.

One particularly unreasonable line of attack was the suggestion that the US was happy that Cancun failed because it was thereby released from the obligation to pursue trade liberalisation multilaterally. In fairness there is no reason to disbelieve the present US administration’s stated intention of pursuing trade liberalisation every way it can. Admittedly an economic superpower is better able to use its negotiating weight in bilateral than multilateral negotiations by demanding provisions in areas such as rules of origin, product coverage, investment, the environment and labour rights that disadvantage smaller countries. But such benefits may well be outweighed by the complexity for US business of having to cope with multiple and disparate trading rules as compared to one single set for the whole world.

Developing Countries Fight Their Corner
The key US–EU assumption behind their joint stance on agriculture for Cancun was that the developing countries would accept their proposal as the best on offer. Certainly it represented a worthwhile advance on their post Uruguay Round régimes. But the developing countries believed they were being exploited.

Whether through miscalculation or weakness, only too many have brought economic damage on their domestic agricultures by opening up their markets to subsidised produce from richer countries. Sectors that have suffered severely in different countries include cotton, maize, rice, sugar cane and tobacco as well as tomatoes. And many of the developing countries feel unreasonably excluded by high tariff barriers from attractive richer country markets.

To the surprise of the world’s two great trade superpowers, 21 of them, the G21 Group, formed an alliance under the leadership of Brazil, China and India. Informally supported by the ACP (African, Caribbean and Pacific) countries they held their ground to the end. To stay united they had to remain firm and inflexible, and the consequence was a classic Mexican standoff.

The unpredictable US–EU post mortem was that by seeking too much the developing countries had lost even the potential benefit they were being offered. But time will tell the eventual result of their brave stand. After the expiry of the so-called ‘Peace Clause’ (Article 13 of the WTO Agriculture Agreement) on 31st December 2003 the developing countries will be free to take action against both domestic and export subsidies under normal WTO/GATT rules with potentially dramatic effect.

The Future of the WTO Multilateral Trading System
At his closing Cancun press conference Pascal Lamy announced he would not play
the ‘blame game’, understandably as most of the blame clearly lay with him and the EU. He then proceeded to condemn the WTO as a “medieval” organisation whose procedures and rules had not supported the weight of the task required of it. Coming from the head of a 666 strong delegation that had arrived at Cancun with hardly any negotiating flexibility in the crucial area of agriculture, this was rich.

Several British journalists went so far as to describe the failure of Cancun as a potentially fatal blow to the WTO itself. But such instant reactions were melodramatic. The WTO and the fruits of the Uruguay Round remain in place. Of the ten WTO/GATT Ministerial Conferences since 1982 no less than five were seen as failures.1 But sooner or later the multilateral trading system has always ratched forward in the end.

The prime concern of the pessimists is that the WTO multilateral trading system will now rapidly degenerate into a spaghetti bowl of discriminatory bilateral free trade agreements slanted in favour of the bigger countries. More than half of world trade is indeed already conducted under preferential trading arrangements, according to WTO estimates. But the large bulk of such trade is within naturally formed regional arrangements such as the EU, NAFTA, MERCOSUR, ASEAN and COMESA.

So far only a few smaller countries like Chile, Mexico, Norway, Switzerland, and Singapore have struck out and negotiated inter-continental bilateral free trade agreements with either or both of the world’s two trade superpowers. Such countries are surely too sophisticated to have let themselves be duped. And the multilateral trading system is at least reasonably well protected by the basic GATT Article XXIV requirement that no new free-trade area or customs union should be designed so as to raise trade barriers against other WTO members.

As regards the Doha round the originally planned completion date of December 2004 may now look unrealistic. But away from the highly charged atmosphere of Cancun, the differences that appeared irreconcilable would be quite capable of resolution through normal diplomatic processes in Geneva if governments instruct their missions there constructively. The next crucial formal event will be a mid-December meeting of the WTO General Council, the body of senior officials which reports directly to the Ministerial Conference.

In the years ahead it is clear that the WTO’s decision-making procedures must improve. The developed countries can no longer expect to dominate the developing countries. Few countries would agree to voting, so consensus remains the only way forward. With experience groups like the G21 should be able to learn to negotiate more flexibly and constructively. The big difficulty to overcome will be the power that a small handful of European countries have to hold the world trade liberalisation process to ransom.

But so long as talks continue there will always be hope of new progress. Every one of the WTO’s now 148 members understands the benefits of the multilateral trading system. No country has ever opted to withdraw.

Note (1): Source: Sir Oliver Wright GCMG, GCVO, DSC; Private Secretary to Harold Wilson 1964-66.

Note (2): Net receipts of CAP farm aid in 2000 by France, Spain, Greece and Ireland were 2.3 billion euros, 2.5 billion euros, 2.0 billion euros and 1.2 billion euros. Source: eurofacts 27th June 2003.

Note (3) The five WTO / GATT Ministerial Conferences since 1982 which have been widely considered failures at the time were: Geneva (1992), Montreal (1988), Brussels (1990), Seattle (1999) and Cancun (2003) whilst the five considered successes were Punta del Este (1986), Marrakesh (1994), Singapore (1996), Geneva (1998) and Doha (2001).

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Ronald Stewart-Brown is Director of the Trade Policy Research Centre, which is examining the trade policy options that would be open to the UK outside the EU Common Commercial Policy. His work in this field has been widely published.

... news in brief

Attempt to get rid of Lithuanian President

Following the sudden overthrow of the Georgian President, Edward Shevardnadze, on 2nd November, attention is now moving to Lithuania where a campaign has got under way to unseat the man who won a surprise victory in the presidential elections last Christmas. Having beaten the former president, Valdas Adamkis (himself a former American citizen), Roland Paksas now finds himself accused of having “links” to the Russian Mafia. A few thousand people have gone to demonstrate in the streets of Vilnius calling for his resignation. Already people are saying that they want the “crisis” to be resolved “democratically”, just as in Georgia everyone said they wanted it to be resolved “peacefully” - which it was when the President was unconstitutionally forced to resign. The “crisis” began when the parliament adopted a resolution saying that the “links” between President Paksas and a naturalised Russian businessman, Yuri Borisov, were “a threat to national security”. Borisov is alleged to have paid €900,000 to Paksas’ election campaign, and that he was made a presidential adviser in return, as well as receiving some privileges for his company, Avia Baltika.[Antoine Jacob, Le Monde, 7th December 2003]

Now people are talking about launching impeachment proceedings against Paksas, even though the precise nature of the allegations seems astonishingly vague. The parliamentary report makes undefined allegations about “links” to Russia, “influence”, “suspicion” and so on but seems to have few facts. Indeed, it seems obvious that the campaign against Paksas is being run by the secret services, which are under the control of the Prime Minister, the former Communist First Secretary, Algirdas Brazauskas. To impeach the President would require 85 votes in the 141-seat parliament. 70 voted for the resolution saying Paksas was a threat to national security. But the Lithuanian press is advising him to follow Shevardnadze’s example and resign. [Reiner Gatermann, Die Welt, 5th December 2003]

Blocher elected to Swiss government

The most prominent member of the Swiss People’s Party, the head of its Zurich section, Christoph Blocher, who is known for his robustly anti-EU views, has been elected to the Swiss Government, following his party’s victory in the elections on 19th October. His election is significant because it is the first time that the party political composition of the Swiss federal government has changed since the 1950s, all previous governments having consisted of the same combination of parties. Now the SVP (which is called Democratic Union of the Centre in French) will have two seats in the Government instead one. The party’s main strategic aim has therefore been achieved. [Neue Zürcher Zeitung, 10th December 2003]
The Fabian Society has just published a pamphlet by Gisela Stuart on The Making of the draft Treaty Establishing a Constitution for Europe, which will be reviewed in the next issue of the European Journal. She was appointed by the UK Government to serve on the thirteen-strong ‘Praesidium’ of the Convention on the Future of Europe. Ms Stuart has been through something of a personal and political odyssey. Born German, she is now the Member for Birmingham Edgbaston, Neville Chamberlain’s old constituency. She owes her permanent residence in Britain, her career and her position in public life to European integration; specifically to the free movement of persons, a founding principle of the EEC. Yet her experience as a member of the Praesidium has altered her attitudes. Her remarks about the draft Constitution on Radio 4’s Today Programme were widely interpreted as a significant shift from the Government’s original, enthusiastic line, and she concluded a piece on the subject in The Sunday Times with the phrase “I repeat. The government does not have to accept it.”

Gisela Stuart has found out through bitter experience what Eurorealist followers of the Convention knew from the outset: that it was not an attempt to fulfil the mandate set out in the Laaken Declaration, but an attempt to deepen European integration before the ten ‘accession states’ joined the Union, by short-circuiting the intergovernmental process. The short-circuiting aspect has failed. Giscard d’Estaing’s pleas to Member State governments not to “unpick” the draft produced by the Convention (or, as Ms Stuart has suggested, produced by anonymous figures in the shadows) has been met by a furious insistence, on the part of Spain and Poland, that they will not submit to the proposed system of ‘double majority’ voting, which would do away with the high voting weights relative to population to which they are entitled under the Treaty of Nice. This brings us to the other real aim of the Convention: to ensure that Franco-German hegemony in the EU is maintained after the ‘big bang’ accession round on 1st May 2004, by changing the rules on voting in France and Germany’s favour.

It is surprising that this second aim has been so little remarked upon in the UK media, especially in the light of France and Germany’s suspension of the Stability and Growth Pact, of which they were proponents, in the cause of domestic political expediency. It has been noted that this may have “poisoned the atmosphere” at the Intergovernmental Conference, but more specifically, it will have confirmed the suspicions of many that the ‘European project’ is, at its heart, an instrument of French and German foreign policy, rather than the great harbinger of peace and prosperity in Europe, that its propaganda insists.

European integration was one of the fashionable causes on university campuses in the 1960s, but unlike many others it was temperate, realistic and enjoyed a degree of Establishment endorsement. For Tony Blair’s Government, it has become received wisdom – until recently it might almost have been described as axiomatic. It came to have this grip because it was more than a process; it was also an ideology. And not only an ideology, but a millenarian ideology, that held out the prospect of a better world.

Millenarian ideologies are inherently undemocratic. They deny the legitimacy of political choice on the basis that deviations from the pre-determined course are fallacious and damaging, as well as ultimately futile. The two principal articles of faith of the European ideology are, briefly, that European integration is essential if another great, European war is to be averted, and that economic imperatives dictated the consolidation of regions of the globe into large trading blocs. A dispassionate examination of the evidence suggests that these articles of faith, on which the European project was founded and which continue to underpin it, are obsolete. A great, European war was, until the collapse of the Soviet Union, averted by the nuclear standoff between NATO and the Warsaw Pact, and is now extremely unlikely in a Europe of democracies – as Francis Fukuyama famously noted, democracies do not go to war with each other. Meanwhile, the international terms of trade have undergone a fundamental shift in the process of globalisation, and at the moment, the main beneficiaries appear to be the countries of south east Asia, which are not part of a system of formal integration.

An ideology which exercises a powerful grip on the minds of its adherents will not falter on the basis of mere evidence, however. Such faltering requires a public loss of confidence from the priestly caste. This is what has happened over the Stability and Growth Pact. The political establishment of France and Germany, the historic engine of European integration, has set its face against a fundamental provision of the Treaties, for fear of sacrificing domestic political capital. The priests of the European ideology have exposed themselves as apostate.

A crisis of apostasy among the priests gives rise to two, conflicting consequences: many of the faithful lose heart, whilst those who owe their position at the apex of the ideological institution to the strength of the ideology attempt to tighten its grip. This goes some way to explaining the hardening of negotiating positions on both sides of the debate within the Intergovernmental Conference, the opposite of what usually happens in the course of a negotiation. The fundamental position, however, is that the European project now stands at a crossroads. Down one road lies a Constitution for Europe, binding the Member States of the Union firmly within it; on the other lies a reformed Europe, open, pluralistic and amenable to national democracy.

Gisela Stuart is one of those who have lost heart in the millenarian vision of European integration. Her late contributions on the subject in House of Commons debates have seemed to drop from the pages of Hansard with a jaded shrug. She recollected that not once did a member of the Praesidium question whether further European integration was what the peoples of Europe wanted. She has fallen back on her belief in democracy. The Government must now do the same and veto this Treaty; and if it lacks the stomach, it should let the British people do it in a referendum.

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

And the Former Things are Passed Away…”

by Dirk van Heck
PRO-LIFE GROUPS have announced that they will use the Charter of Fundamental Rights, part of the proposed European Constitution, to ban pre-natal testing to screen for disabilities. On October 29th The Times quoted a pro-life group declaring, “Eugenics is the underlying philosophy of pre-natal testing in the UK. We will fight tooth and nail to get it stopped.”

However, the term ‘eugenics’ has five definitions listed in the dictionary, each with a varying degree of difference. The question is, which one will the European Court of Justice choose to follow and enforce? The UK law concerning genetic screening prior to abortion, which has been in place for thirty-six years, may now be in jeopardy.

Under Chapter I, Article 3 of the Charter of Fundamental Rights, “the prohibition of eugenic practices, in particular those aiming at the selection of persons” would be included in the proposed European Constitution. The current law in Britain, from the 1967 Abortion Act states that abortion is allowed if there is a chance that the child would have serious physical or mental handicaps (Sec 1(1)d of the Act). Over a thousand women a year in the U.K. have abortions after using genetic testing to screen for disabilities. On October 29th the Abortion Act conflicts with the Charter, making it unclear whether the European Court of Justice could rule that the UK Abortion Act is in accordance with the Irish Constitution.

Poland meanwhile, is hoping to maintain its abortion ban, and allowed to maintain its ban in accordance with the Irish Constitution. Poland meanwhile, is hoping to maintain its country’s similar policy on abortion, but has no specific exemption yet.

“Eugenic practices” leaves a large margin for judicial interpretation by the European Court of Justice

Another area of controversy is the wording of the Charter. “Eugenic practices” leaves a large margin for judicial interpretation by the European Court of Justice, since the practices themselves are not clearly defined in the Charter. In one definition, eugenics is “the study of methods of improving genetic qualities by selective breeding” while another claims it to be “the scientific study of artificial selection towards a particular set of desired characteristics”. The lack of clarification on what practices are considered eugenic creates several problems and results. The European Court of Justice could rule that the UK Abortion Act conflicts with the Charter, making genetic screening illegal. Alternatively, the Court could decide that the definition of eugenics does not include genetic screening, creating no legal conflict. This scenario seems unlikely because some of the definitions do include terms like ‘selective breeding’ which could be interpreted to include genetic screening for disabilities.

The Charter of Fundamental Rights is broad and unclear in both terminology and enforcement. Is the Charter just a basic outline of rights, or will the European Court of Justice ban eugenic practices on the basis of Article II-3 (b)? The preamble states that “the Charter will be interpreted by the courts for the Union and the Member States with due regard to the explanations prepared at the instigation of the Praesidium of the Convention which drafted the Charter.” The aforementioned explanations were instigated by the British government. The June 23rd issue of The Economist outlines repercussions of the proposed European Constitution. In reference to the Charter it states: “The British, Irish and others like to think they have safeguarded their position… The British, backed by the Irish and Dutch, have worked in a change to the charter’s preamble. This says that the European Court must pay ‘due regard’ to an interpretable text, underlining that the charter creates no new rights. However, many lawyers doubt that a reference as weak as that will have any impact on the court.” The emphasis is placed on interpretation, fifteen judges who sit for the European Court of Justice will have the power to decide the legal definition of eugenics, and whether it conflicts with the current UK law. The issue of genetic screening will not be decided by the people whom it affects, but rather by the Court that interprets the Charter.

Maureen Zink is a student at Wittenburg University studying Political Science. She is also a research assistant at the European Foundation.

Eugenic practices
by Maureen Zink

... news in brief
Row about Turkey in Germany
The terrorist attacks in Turkey have provoked a row in Germany between the Government and the Christian Democrat opposition. Wolfgang Bosbach, the vice-chairman of the CDU, said that the attacks in Turkey proved that terrorism could be imported, by which he presumably meant that the EU itself would be in danger if Turkey becomes a member. The Chancellor, Gerhard Schröder, rejected these claims but was called “infantile” in return by a leading member of the Christian Social Union. Glos said, “Schröder obviously cannot think of any concrete reasons for admitting Turkey as a member of the EU. To use the terrible terrorist attacks as a reason for accelerating Turkey’s membership would be to allow Al-Qaeda to dictate how we act.” The argument was provoked because the Turkish Prime Minister said that the attacks showed that Turkish membership of the EU was “even more important than ever”. [Der Spiegel, 23rd November 2003]
The European Journal In Depth

SINCE THE EARLY 1990s, the EC has begun a programme of aggressive expansionism into the area of industrial policy. This has occurred within the political background of reconsideration of the aims of industrial policy, and the tools that can be used to achieve these aims. No longer is it acceptable to support national industry which remains uncompetitive over the long term. The new agenda in industrial policy concerns itself with the development of a positive and supportive environment in which efficient industry can flourish, and the Union has placed itself at the forefront of the war against protectionism.

Industrial Policy Within the EU

A European industrial policy was first envisaged by the 1951 ECSC Treaty, although by the 1958 Treaty of Rome establishing the EEC it was a policy area that member states were keen to maintain as autonomous. It was perhaps inevitable that the only way that the EC could lay down a force majeure framework within which industry can operate. They are broadly aimed at developing a supportive economic and socio-political environment in which business can thrive. They are therefore reactive and anti-competitive by nature, propping up a number of struggling sectors, most notably the shipbuilding industry.

Historically therefore, industrial policy has been characterised by a wide variety of market distortions and trade restrictions. These have included the most common forms of protectionism, such as tariffs, quotas, state aid, rigged procurement contracts and research subsidies. It is perhaps symbolic of the increasingly global nature of the economy that industrial policy is now taking a more 'sector-neutral' form, and seeks to enhance global competitiveness rather than underwrite uncompetitive industries.

A turning point in the way that the EC approached industrial policy is noticeable from 1990, with the publication of communication to the Council COM(90)556. This document became known as the Bangemann proposal after the Commissioner responsible for Internal Market Affairs (DG III). It set a goal for industrial policy to operate only in an open and competitive environment, where member states were to be prevented from using subsidies as a market imperfection as a prop for ailing industry. There are certainly still many ways of justifying aid to an inefficient company, mainly where it is possible to see the industry become more competitive over a longer term. This means that a government could provide support for transitional costs, for restructuring and for efficiency drives, but not for maintenance of inefficient production.

Much of industrial policy has shifted away from sectoral initiatives to a more horizontal form of policy making. A majority of academics believe that these are the two forms of industrial policy that are predominantly mutually exclusive. Horizontal policies concentrate upon developing an environment in which business can thrive. They are broadly aimed at developing a supportive economic and socio-political framework within which industry can operate.

A New International Agenda

This new approach to industrial policy is not a solely Union-driven one. There have been incremental changes in the way policy makers think industrial policy can be used to maximum effect within the economy. Ongoing adherence to the concept of the mutual benefit of trade means that there is a broad international consensus that anti-competitive measures are not in the interests of states over the long term. This standpoint views subsidies, tariffs and other anti-competitive measures as market imperfections that prevent the economy from gravitating towards its natural strengths.

Pareto's 'Laws of Trade', for example, demonstrate that even where a country has an absolute inefficiency in producing all products in relation to its trading partners, there is still a benefit to both countries to trade those goods in which there is a relative advantage. In other words, that the inefficient country produces and exports those goods which it is least inefficient in producing.

Gordon Brown, in his November speech to the CBI, stressed Britain's ongoing commitment to this concept of positive industrial policy. This new agenda, that was born within the EU some thirteen years ago, has therefore come of age. The Chancellor nailed his colours to the mast by allowing industrial policy, and public policy in general, to promote further free trade, and to spend less on supporting ailing and inefficient industry. Stressing that "government should concentrate only on what it can do well", he spoke in terms that would seem to be music to the ears of the business community. He established that he wished to remove barriers to enterprise, invest in skills, science and infrastructure, and focus on building a competitive environment for industry.

But then the Chancellor went on to give a clear signal about where he felt Industrial Policy was best administered: "I invite you, as companies, to join us in putting European Regulations and Directives to the 'is it really necessary?' test". Brown detailed a list of European policies, such as the working time directive, that the Government would continue to oppose as being unnecessary and anti-competitive. He further spoke of the swathes of wasteful regulation that currently existed, and called upon the EU to rationalise the quantity of legislative output that, he implied, threatened to swamp any positive impact that horizontalist policies might have had.

The EU Post Enlargement

With the imminence of European Union enlargement, and the trend of ongoing widening and deepening globalisation, the industrial policy argument is made more urgent. Along with this, there is a noticeable reduction in the levels of productivity growth right across the EU which further exacerbates the urgency of the questions that are being asked.

A further aim of industrial policy has been revealed to be the alignment of the many regional economies within the EU - hoping to reduce the number of disparities and to economically harmonise the Union. As such, the third form of industrial policy, that of regionally specific policies, has been favoured by the EC. In particular, these include the European Regional Development Funds (ERDF), and European Structural Fund (ESF). There is a degree of dovetailing with this form of industrial policy and the
horizontal measures adopted by the Community, as both seek to develop a resilient culture favourable to business.

For the Union, economic integration and industrial policy are inextricably linked. Although a degree of integration can occur with divergent, multi-speed economies within Europe, it will be far more difficult for it to succeed to any great extent. The control of certain monetary, and possibly fiscal policies, by the ECB means that to some extent there is a loss of control over individual regional economies. Industrial policy provides for a remedy to at least part of this problem of divergence within the EU. Industrial policy is therefore likely to be one of the flagships of the future vision of a 'Europe of the Regions', although in doing so it may find that it becomes a policy of such financial enormity as to be difficult to administer and control. The role of decision making within the union becomes important at this point. The EU has learned harsh lessons over CAP reform, that policies that affect all countries in different ways are notoriously difficult to amend if improving the lot of one member state is to the detriment of another.

Enlargement will exacerbate these problems by increasing the number of economies, in particular by including a number of countries that, although they have made considerable efforts at structural reform, are far from the requirements of the current *acquis*. Their relative economic performance means that those areas, such as Wales and the North East of England, will cease to qualify for Objective 1 ERDF. This is not due to improved performance but because the yardstick by which poor performance is measured (being below 75% of the average EU GDP per capita) has shortened.

### The Future of Industrial Policy

What Gordon Brown managed on the 18th November, was to crystallise into a few short sentences the major decision that member states will have to make in the forthcoming years. How best can we, as pro-active members of the Western Liberal Democratic paradigm, seek to achieve these heady goals? The Union is founded upon a number of key principles. One of these, subsidiarity, suggests that there is a potential logical contradiction between the ends of the Union in industrial policy, and the means by which it seeks to achieve them.

Efficacy of policy legislation and implementation is key to the success of the project. If the required end is a more efficient and bureaucracy-free environment in which industry can thrive, is this best sought by legislating at EU level? Would it not be a more sensible measure to set open-ended directives to the member states, leaving the determination of what is likely to be most effective to the discretion of the member states.

As with many other areas of policy, the Union suffers from an actual or potential implementation deficit. It is loathe to lose control of an area that over the last decade and a half it had begun to legislate on with some gusto. As Economic Union is at the heart of the European project, it is seen as vital to ensure that policies affecting the future health and homogeneity of the Eurozone (and the wider Union whilst there is a difference between the two) are held within Brussels and Strasbourg. Whether one agrees or otherwise with the Single Currency, it is arguable to say the least that the best interests of a competitive industry within a single market can be upheld whilst the Union continues to strengthen its armory of industrial policy tools.

Michael Fogg is a research student in European Policy at Cardiff University. He is also Director of Insight Cymru Public Affairs, a Cardiff based lobbying and research organisation.

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**news in brief**

**German MEPs “interested only in their expenses”**

A Dutch Social Democrat MEP, Michiel van Hulten, has accused German MEPs of blocking a compromise on the MEPs’ pay only because they want to preserve the current corrupt arrangements for claiming travel expenses. At present, business class travel is reimbursed even if an MEP takes economy class to come to Strasbourg or Brussels. “The present system of paying expenses is a scandal,” van Hulten told the Frankfurter Allgemeine Zeitung. According to the new proposed agreement, travel expenses would be paid on the basis of the actual money spent on the ticket. But this would remove a considerable amount of income from MEPs’ pockets. “That is the main reason why most German MEPs oppose the compromise,” said van Hulten. MEPs can get €1,040 for a trip from Berlin to Brussels, even though tickets can be bought for €150. The agreement, which had been hammered out between the Parliament and the Italian presidency, was opposed by numerous German SPD MEPs: their chairman, Martin Schulz – the man of whom Silvio Berlusconi said that he would do well as an actor playing the commandant of a concentration camp – justified this by saying that the debate about MEPs’ pay should be avoided during the elections to the European Parliament in June 2004. Van Hulten also accuses the German MEPs of writing to the president of the European Parliament, Pat Cox, demanding that the travel expenses be based on actual costs, only for internal political reasons. “They are playing to the domestic gallery,” he says, arguing that they knew when writing the letter that their request stood no chance as long as a new statute had not been agreed. [Helmut Bünder, Frankfurter Allgemeine Zeitung, 8th December 2003]

**Turkish radicals blame USA for bomb attacks**

Various Islamist journalists and commentators in Turkey have suggested that the recent bomb attacks in Istanbul were the work of the CIA and Mossad. Abdurrahman Dilipak of the Islamist daily, Vakit, claims that he would do well as an actor playing the commandant of a concentration camp – justified this by saying that the debate about MEPs’ pay should be avoided during the elections to the European Parliament in June 2004. Van Hulten also accuses the German MEPs of writing to the president of the European Parliament, Pat Cox, demanding that the travel expenses be based on actual costs, only for internal political reasons. “They are playing to the domestic gallery,” he says, arguing that they knew when writing the letter that their request stood no chance as long as a new statute had not been agreed. [Helmut Bünder, Frankfurter Allgemeine Zeitung, 8th December 2003]

Faik Bulut, a well-known conspiracy theorist, says, “Cursed be the CIA and Mossad!” The journalist goes on to claim that Al-Qaeda and the Turkish Hezbollah, as well as other groups, are “infiltrated by Western secret services and Turkish intelligence.” Abdurrahman Dilipak is not the only person to entertain such theories: they flourish on both the right and left in Turkey. Faik Bulut, a well-known conspiracy theorist, says, “Al-Qaeda committed these attacks, manipulated by the CIA and Mossad. The purpose of the attacks is to bring Turkey into the global war on terror. The purpose is to prevent Turkey from seeking alliances other than that with America and Israel, and to modify her priority which, up till now, has been to prevent the creation of a Kurdish state.” Bulut alleged that Albanians from the Kosovar Liberation Army, whom he calls “terrorists trained by the Americans” are also involved. [Le Figaro, Libération, 24th November 2003] The following Thursday, thousands of people demonstrated in the streets of Istanbul against terrorism, but also against “ Yankee imperialism” and against their country’s alliance with Israel. People carried banners saying “Killer” with pictures of Osama bin Laden, George Bush, Tony Blair, Ariel Sharon and even Mr Erdogan. [Yassin Musharbash, Der Spiegel, 22nd November 2003]
The European Journal

And Finally…

December 2003

LETTERS TO THE EDITOR

From Mr G.M. Smith
Dear Sir,

The Government's enthusiasm for the European Constitution has dwindled into silence.

Has Gordon Brown woken up to the prospect that his present influential stature would also dwindle into that of a provincial Bank Manager buried in directives from the Franco-German Head Office in Brussels?

Yours faithfully,
G.M. Smith
West Sussex

From: Roger Helmer, MEP

Dear Sir,

Yet again, we hear Tony Blair's assertion (Report, Queen's fears over EU Constitution, Oct 16th) that he will retain the British veto on tax, foreign affairs and defence. Either he has not read the draft Constitution, or he is deliberately misleading us.

Article 5.2 states: "Following the principle of loyal cooperation the Member States shall facilitate the achievement of the Union's tasks and refrain from any action which could jeopardise (them)." Article 14.1 says "The Union shall adopt measures to ensure the coordination of economic policies of Member States." Article 15.2: "Member States shall actively and unreservedly support the Union's common foreign and security policy in a spirit of loyalty and mutual solidarity." There is much more in the same vein.

Tony Blair says he will insist on his red lines. At one time he said there would be no Constitution. Later he said that the so-called Charter of Fundamental Rights would not have legal force. He has resiled from both of these commitments. And the government has given in on 95% of the amendments it proposed to the draft Constitution.

We can therefore have no confidence in Blair's red lines. Can anyone believe he will veto the Constitution if he fails to protect his red lines?

But suppose for argument's sake that he gets his vetos, and comes back from Brussels like Chamberlain from Munich declaring peace in our time, and a triumph for British diplomacy.

The EU Commission's response is predictable. Sometime after ratification, the Commission will apply to the European Court of Justice in Luxembourg, and argue that the British vetos are incompatible with the Union's duties as laid down in the Constitution. The Court will rule in favour of the Commission, and strike down the vetos as unconstitutional.

In the words of a former Labour leader, Blair will be left naked in the Conference Chamber, and Britain's vassal status will be confirmed.

Yours faithfully,
Roger Helmer, MEP

From Mr Nigel Kenyon – by e-mail

Re: INTELLIGENCE DIGEST No. 182

"The small countries continue to resist attempts to reduce the number of commissars below the number of member states, for they fear that they will thereby lose their representation on the Brussels Commission."

Thank you for this … answer to the above..."Of course they will". This is one of the most disgraceful weekends in History... to hear of such nonsense being orchestrated by supposedly intelligent people, and whatsmore 'head' of their respective countries, is just mindblowing … to put it into common venacular.

Your report is excellent!…

Yours,
Nigel Kenyon

From Mrs Christina Speight

Dear Madam,

Your correspondents in the September issue wrote, of course, before Iain Duncan-Smith spelt out in detail Conservative policy at Blackpool. But the general argument your correspondents put forward is based on a fallacy. The way ahead is marked out for Britain – and for the Conservatives!

A treaty embodying the constitution will probably be signed before Easter next year and then across Europe the process of ratification will take place. A growing number of countries will hold referenda and in some the result will not be a foregone conclusion. It is Conservative policy to ensure a referendum here too and the pledge on this is clear. The LibDems want one too and a mass of grassroots organisations are behind this demand. If a referendum takes place almost all of the above will campaign for a vote to reject the Constitution and in the case of the Conservatives - any constitution!!

This is where Mr Beddall's 'train' analogy goes so wrong. When the train arrives at this 'Constitution station' we have the opportunity to get off it and change to another train going somewhere else!

The Conservative vision is of "a New Europe. Not a single state with its own currency and constitution". This vision is shared by many of the 'new' member countries in Eastern Europe which explains the importance of IDS' Prague speech. The next election will be critical, for, with Blair and New Labour still in power, Britain will never be safe. Hence any voter opposed to the EU must realise that their vote cannot be given to small protest parties, be they Green or UKIP, without contribution to further dominance of British politics by New Labour and of Britain by the EU.

Yours faithfully,
Christina Speight (Mrs)

from Dr Anthony Lipman

Dear Sir,

I have no doubt that the New Labour apparatchiks are being tasked by Downing Street to try and demonise all those who are not as enthusiastic about everything relating to the European Union, the draft European Constitution, and the Single Currency (the Euro) as their political masters.

The spin that British Euroscepticism equals Europhobia is just as daft as to say that all good Europeans are Anglophobic.

I suspect that the reason why so many people in the UK are Eurosceptic is that much of the decision making within the European Union appears to be carried out by unelected officials who seem to be totally unaccountable to the general public, either here or elsewhere in Europe.

The fact that the Audit Commission has never been able to pass the accounts of the European Union, or the missing millions of pounds (or euros) by Eurostat, or the treatment of Marta Andreassen, or the flagrant disregarding of the rules of the Growth and Stability by France and Germany is enough to make any thinking person somewhat Eurosceptic.

Yours faithfully,
Dr Anthony Lipman
Chelmsford
A Constitution for Europe: A Legal Assessment of the Draft Treaty
by Martin Howe, QC
reviewed by Dirk van Heck

In this pamphlet, published by the Congress for Democracy to coincide with its rally for a referendum on 7th November, Martin Howe delivers a comprehensive legal assessment of the draft European Constitution. The assessment could not be purely legal, as it is impossible to understand EU documents from the narrowly objective perspective of English law, but the political insights generally emerge from the considerable knowledge and experience of a highly regarded practitioner of European law.

The first chapter of the pamphlet addresses the draft’s novel claim to be both a treaty and a constitution. It is here that Howe makes the first of his forensic points:

“The title of the document produced by the Convention is:
Draft TREATY ESTABLISHING A CONSTITUTION FOR EUROPE…

A straightforward reading of the title suggests that it is a Treaty, but it establishes a Constitution. The British Government’s White Paper does not seem able to bring itself to use the actual title of the draft prepared by the Convention… Instead, it repeatedly refers to it as ‘A Constitutional Treaty for the EU’. This is subtly but importantly different from its actual title. This mis-statement of the title is a piece of spin designed to underpin the British Government’s contentions about its status.”

Later in the chapter, Howe contextualises the contentious draft Article I-10, which aims to constitutionalise the case law principle of the primacy of European law. He shows that such an article is a classic feature of a federal Constitution, as in the USA, Germany, Australia and Canada, and that it will always be the federal court that arbitrates (in its own favour) on any issue of jurisdiction. He also points out that, although the word ‘federal’ has, at the behest of the British Government, been replaced in the draft with the phrase “in the Community way”, the classically federal structure for the distribution of powers remains. It is a little reported fact that at the time when this drafting change was made, a Convention Præsidium spokesman made a statement that “the Community way” in fact meant ‘federal’.

Howe next addresses the issue of sovereignty. Having set out as context the constitutional framework of UK law, he states the effect that making primacy an internal principle of Member States via a European Constitution would have: creating a new ground rule, or grundnorm, of constitutional law, effective in every Member State of the Union. In the UK, this ground rule, that the European Constitution is the ultimate source of legal authority, would rival the existing ground rule that Parliament is sovereign. The ultimate independence of the United Kingdom would then hang by a thread; the adherence of the judiciary to the old orthodoxy of Parliamentary sovereignty.

This thread would be broken by domestic judicial acceptance of the argument that, by enacting Article I-10 of the European Constitution, Parliament had abolished its own supremacy.

This central part of the pamphlet covers the same ground as the legal analysis in Bill Cash’s pamphlet on the draft Constitution, but at a more digestible pace, and with more detail from case law, as well as two apposite historical analogies: South Carolina’s ill-fated attempt to secede from the federal Constitution of the USA in 1860 and the English constitutional revolution of 1688. The latter nicely illustrates Howe’s point that a revolution may be defined as a change in the ground rule of a State; precisely what is threatened by draft Article I-10.

Howe points out that the extensions of EU powers in the draft are far more significant than they appear to be from the text because of the new ground rule, the alteration of the rules governing qualified majority voting and the extension of the ‘co-decision’ procedure. He goes on to list areas where the draft explicitly extends EU power, concluding with an aside about the fact that direct tax harmonisation is already happening via ECJ case law. So even if Gordon Brown’s fears are allayed in the treaty text, harmonisation by stealth will continue.

The Protocols on Subsidiarity and the Role of National Parliaments Howe dismisses as “totally pathetic”, whilst the Protocols containing the UK’s opt-outs from the euro and the Schengen agreement have yet to be “re-adopted”, as they must be if they are to remain under the new EU arrangements. Howe is also concerned about the UK’s opt-outs from the common EU immigration policy and the retrospective application of equal pay rules to pension funds. The Protocols have now been published following some “legal alterations”, but at the time of writing they are not available in English.

In the international sphere, Howe concludes that, thanks to the drafting of Article I-12, the UK would lose almost all of its independent treaty-making powers under the Constitution. Making the common foreign and security policy subject to European Court of Justice jurisdiction, meanwhile, would constitute a decisive shift from the intergovernmental method in foreign policy. The President of the European Council would exercise “the classic functions of a Head of State” and would be superior to the Heads of State of the Member States, such as The Queen.

As a lawyer, Howe is able to reduce the semantic argument about the “European superstate” to legal terms. He concludes that under the draft Constitution, with the possible exception of “government”, which is made up of many elements, the EU would have all the attributes of a State in international law: “...no magic words need be said, no bell will ring, as the EU passes over the line of becoming a State in substance, in fact, and as fully recognised in international law… Choosing not to call the EU a State will not alter the reality.”

Howe emphasises that the incorporation of the Charter of Fundamental rights into the Constitution would entail putting considerable political power in the hands of the ECJ over a wide range of domestic issues. He considers that the “horizontal clauses” in the preamble to the Charter are not such sturdy floodgates as the UK government claims, arguing that they may be breached by “gateway” clauses elsewhere.
in the Constitution, or by the application of judicial devices such as the "margin of appreciation" doctrine. Such doctrines are the hidden cogs that drive the expansion of the law.

The pamphlet concludes by examining the hypothetical situation in which a Member State refuses to ratify the Treaty establishing the Constitution. Howe rejects Valery Giscard d'Estaing's "illegal threat" to force the hand of such a State as "pure bluff" since, legally speaking, "The position of a Member State which refused to ratify would be extremely strong" – there are now signs that the central European "accession states" have realised this. The cost of withdrawing under Article I-59 after ratification, on the other hand, "could be high". The UK must, therefore, refuse to ratify the Treaty in the first place.

Dirk van Heck is Head of Research at the European Foundation

The Conservative Case for a New European Constitution

Kenneth Clarke’s seven-page essay, The Conservative Case for a New European Constitution, published by the Tory Europe Network, has received generous praise from Jack Straw. This is unsurprising as, being unofficial, it is a rather less shy piece of integrationist propaganda than the government’s White Paper on the European Constitution.

Clarke opens with an assertion that Britain is alone in its concerns about the draft Constitution; which is untrue. He then states that the Conservative Party has always accepted that a new constitutional Treaty would be required to make enlargement work – also untrue. He admits that "there are some areas [of the draft Constitution] where I have serious concerns," but he does not say where these are. Perhaps this is because he has not read it. Clarke does give the reader a few clues as to what the Constitution can do and should not do, in his opinion, but does not once refer to the draft text, reinforcing the inference that he has not read it.

He repeats many of the familiar by-lines: "the member states pool sovereignty in the EU in specific areas where they have all agreed that it makes sense to work together"; "the Union … acts at EU level only when it needs to"; "I am not and never have been a federalist". The fact that he can assert all this in the context of defending a draft federal Constitution again implies that he has not read it.

Clarke attacks Conservative Eurosceptics for "fighting the battles of Maastricht and … even the Treaty of Rome" by claiming to believe that European citizenship, the primacy of EU law and legal personality are "new unacceptable moves". As a lawyer of some standing, he would realise that the codification and constitutionalisation of these matters in the context of a revised and deepened institutional framework do indeed amount to "moves aimed at creating the centralised super-state that they are always trying to raise scare stories about," if only he had read the draft text.

"We are not talking about a Constitution for Britain," Clarke says, blithely ignoring the fundamental distinction between a treaty and a Constitution and the questions that the draft text claiming to be both of these things raises. Another signal of disconnection from the debate, and indeed from politics in general, is his insistence that "the mass media," rather than Tony Blair's government, has been responsible for the downgrading of Parliamentary democracy through attempts to apply referendums to "ever more subjects".

Chapter two of the essay is bluntly entitled "Associate Membership = Withdrawal", and propagates the government's in-or-out line on EU membership. According to Clarke, all ideas concerning "associate membership", "reserve powers", or "renegotiation"; "ultimately amount to a road map towards withdrawal from the European Union – not least because most of them would require the repeal of the Accession Treaty and the Parliamentary Act which we passed when we joined the European Community in the first place." He seems to think that there can be no such thing as compromise with the EU, in the same way that there can be no amending of Acts of Parliament – only repeal.

Clarke is convinced that he knows the present and future costs and benefits of EU membership, even though Lord Vinson recently stated on behalf of a cross-party group of peers that this was impossible, due to "a lack of factual analysis". "The money [Norway] will pay in future for EEA membership is, on a per capita basis, similar to Britain's net contribution to the EU budget," Clarke says. He does not identify his oracle, but goes on to say that "just a few relevant facts demolish the anti-European argument." A few relevant facts do not demolish any argument. They are just a few relevant facts. Or at least they would be if they were facts instead of wearily familiar statements of opinion backed up by cherry-picked and misleading statistics.

Clarke concludes by saying that he hopes that a debate on the Constitution will settle the UK's role in the European Union "once and for all". This would hardly be conducive to a continuing democratic discourse, but then a constitutional settlement is not intended to provide for a flexible, democratically accountable supranational institution. It sets out new ground rules for the State.

On The Today Programme, Clarke suggested that the Conservatives shouldn't be arguing about the European Constitution until they know what the final details are, following the current Intergovernmental Conference. But, of course, there would be little point in having a debate about something that was already fait accompli. This is in line with Clarke's statement in this essay that "We need a very 'British' debate accepting the need for a constitution…" – in other words the "need" for a European Constitution should be a premise of the British debate rather than a possible conclusion.

The cover of the essay does not put the letters 'QC' after Mr Clarke's name. This is just as well, as it would suggest to the reader that the essay contained arguments. It is in fact a brief, blustering assertion rather than a contribution to the debate – arrogant in tone and slight in substance. It is hard to resist the inference that its publication in October was designed to rebuff the claims made at the Conservative Party Conference that the party was united on Europe. Whether or not that was his intention, Kenneth Clarke has played straight into the hands of Tony Blair.

Dirk van Heck is Head of Research at the European Foundation
Christmas Traditions

After a ban on celebrations instituted by the Puritans in Great Britain, Christmas was nearly extinct by the early 19th century. Even The Times failed to mention the holiday from 1790 to 1835. However Christmas would again become an important event after almost two hundred years when the Victorians developed a renewed interest in celebrating the birth of Christ. Indeed, it was Charles Dickens’ story of Scrooge and Tiny Tim in A Christmas Carol that revived the holiday. Written in a mere two months and published only a few days before 25 December, the novel immediately sold out and became one of the most cherished Christmas stories of all time.

Countries around the globe each have their own special Christmas traditions, but it is the Victorians who lent us many of the beloved holiday customs we practice today. It is during this period that religious celebration joined hands with the retail industry and Christmas began to grow into the largest commercial holiday of the year.

Christmas Trees

A deep-rooted German tradition since the 18th century with origins in 17th century France, Christmas trees were first introduced to Britain by Prince Albert, husband of Queen Victoria, when he decorated a large tree at Windsor Castle. This sparked a new fashion for the Victorians who decorated their trees with lighted candles, sweets and fancy cakes. Christmas trees were catching on worldwide by the 19th century, and thanks to Prince Albert are still a main staple of Christmas celebrations in Britain.

Christmas Cards

Christmas cards originated when children would write greetings to their parents in their neatest handwriting. The trend soon passed on to adults, who often found the task very time consuming. Sir Henry Cole, a man with a long list and a busy schedule, commissioned artist John Calcott Horsley to come up with a solution to his vexing problem. In 1843 Horsely designed the first printed Christmas card, of which around 1,000 were printed. Those not used by Sir Henry were sold by the printer for one shilling. While the venture was not an immediate success, introduction of the penny post in Britain later boosted sales of Christmas cards.

Christmas Crackers

London confectioner Tom Smith is typically credited with the invention of this Christmas classic. In the 1840s Smith was inspired by French bon-bon candies wrapped in twists of brightly coloured paper and the snap and crackle of the yule log burning in his fire. Originally including a cracker strip and messages written on strips of paper, Smith’s creation has evolved into the token, which now includes a toy or paper hat, still pulled around British Christmas tables today.

Boxing Day

Boxing Day used to be the traditional day to give the poor in society a box of gifts. The Church used to give out alms on Boxing Day, with the better-off giving boxes of presents to their employees and tradesmen. Nowadays, it is mainly an extra day off work to see friends and family. Two of the most popular Boxing Day past-times are hunting and going to the races – the best known of which is the King George VI Chase at Kempton Park just outside London.

Mistletoe

This romantic Christmas tradition originated when the Victorians bound the Druid symbol of fertility to a frame, creating a ‘kissing ring’. A kiss could be claimed when a gentleman caught a lady under the mistletoe, and when the branches were bare the kissing had to stop.
to help with even the toughest on your Christmas shopping list.

**Kew Gardens**
9:30am – 3:45pm (closed 24/25 Dec.)
Tickets: adults £7.50; concessions £5.50 (children free)
Richmond, Surrey TW9 3AB
Tel. 020 8332 5655
www.kew.org
The lavish Kew Gardens is gearing up for the holidays with plenty of special events for the entire family, such as a winter photographic exhibit, carousel and mini train roundabout, live Christmas music, Christmas tree walks, and festive food handling sessions.

**Winter Wonderland**
Millennium Dome, Greenwich
6–31 Dec. 2003, 11:00am-10:00pm daily
£10 admission, free for children under 12 and the over 60s (individual attractions extra)
Tel. 020 8331 4250
www.winterwonderlanduk.com
A great place to take the kids this Christmas. The Millennium Dome will be decked out in full Christmas gear, and will play host to Capital circus, thrill and family rides, an ice skating rink, Santa’s workshop, Lego events, and a Cartoon Network area. For the adults, try a bit of retail therapy in the traditional German Christmas Market or nosh at one of the many food stalls and cafes.

**Somerset House**
Christmas Eve Services
27 Nov 2003 – 25 Jan 2004
10:00am-10:00pm daily (excluding 24-25 Dec and 1 Jan)
Tickets: adults £9.50-10.50; children £6; family £27
The Strand, WC2R 1LA
Ice-line 020 7845 4670
www.somersethouse.org.uk
Tickets available through Ticketmaster (www.ticketmaster.com or 0870 060 2325).
Returning for a fourth year, the Ice Rink at Somerset House promises to bring enjoyment for the entire family. Lace up your skates for a swirl around the ice or for the less daring sip hot chocolate at the rinkside café. Check the website or call for full details on times, prices and booking.

**Christmas with Dickens**
Mon-Sat 10am-5pm, Sun 11am-5pm
The Charles Dickens Museum,
48 Doughty Street, WC1
Adults £4, children £2, concessions £3, family £9
Tel. 020 7405 2127
www.dickensmuseum.com
Christmas display showing Dickens’ drawing room decorated as he might have done it in the 1830s with a background on early Victorian Christmas customs.

**Trafalgar Square Christmas Tree**
This vast tree (usually about 75 feet tall) has given every year since 1947 by the people of Norway to the people of London as a token of gratitude for Britain’s support of Norway during World War II. The tree is lit in Norwegian-style white lights and carols are sung around the tree from 5pm-9pm on certain evenings until 24 Dec. in aid of various charities. The lights are on from dusk until midnight every evening until 6 January.

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**Kew Gardens**
2325.
www.rfh.org.uk
Royal Festival Hall, Belvedere Rd, SE1 8XX
Tickets: £21-37.50
19:15-21:50, matinees on several days
22 Dec 2003 – 4 Jan 2004
2325).
www.ticketmaster.com or 0870 060
returned.

**St Paul’s Cathedral**
St Paul’s Churchyard, EC4
Tel. 020 7236 4128
www.stpauls.co.uk
Blessing of the Crib 4pm; Evensong 5:30pm; Midnight Eucharist 11:30pm. Last admission for sightseeing 1pm, Cathedral closed for sightseeing by 2:30pm. Free

**St Martin-in-the-Fields Church**
Trafalgar Square, WC2
Tel. 020 7766 1100
www.stmartins-in-the-fields.org
Parish Carol Service at 6.30pm (suitable for children); Midnight Mass at 11.30pm. Free

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**Spitalfields Christmas Market**
Sun – Fri 10am-5pm, Free
Between Bishopsgate EC2 and Commercial Street, E1
www.alternativearts.co.uk
Christmas in Old Spitalfields Market is celebrated inside the Old Victorian Market where the large collection of delectable, and often eclectic, gifts is sure
A eulogy to absent friends, fiends, euro tours and the Entente Conviviale

by Robert Oulds

A bsent Friends. A new author for Chunnel Vision! I hear you call, ‘where is the fabled Dr Lee Rotherham?’

Well Lee shall return, however, in the meantime he has been mobilised and is now on active service with the British Army in Iraq. A stalwart Eurorealist in Iraq? In fact, I can not think of anyone more qualified to be in that theatre of operations. I am not saying that Lee is in the SAS. More that his knowledge of European politics will prove a thorough grounding to anyone who wants to get to grips with Iraqi affairs. Let me explain.

• Like the EU, Iraq’s immediate fate rests with an IGC - IGC being an abbreviation of the ‘Iraqi Governing Council’.
• Like those countries in the eurozone, the Iraqis have changed all their notes and coins.
• There is an Iraqi Conservative Party: they are a regional Party in Kurdistan.
• Iraq’s politics is thoroughly Machiavellian. The governing class is a Kleptocracy, which has traditionally been corrupt, incompetent and completely remote from the population that they govern. So Lee, who used to work in Brussels, will feel completely at home.
• And, unless our Government finally stands up for British interests in Europe and stops Article I - 13.2, Article III - 130.2 (c), and Article III-157 1.(a), (b) and (c), neither of us will control our own oil reserves.

Yet, there are other striking similarities. Lee worked on the Convention on the Future of Europe and Iraq is about to get a Convention. And following on from that Convention Iraq will be getting a new Constitution.

Oh! But there are three important differences. Firstly, the new Iraqi Constitution will bring democracy to the people. Secondly, it will respect Iraq’s diversity. And finally, the Iraqis will have a chance to vote on it in a referendum.

Those that have enjoyed reading Lee’s column in the European Journal may like to send Lee a package. He can be contacted at the following address:

Cpl Lee Rotherham 24947657
J2X
MND (SE)
Basra International Airport
Iraq
BFPO 641

He will continue to have access to his leerotherham@hotmail.com e-mail account. You could also try logging on to BFPO.org.uk and using the above details to send hybrid electronic correspondence instead.

Post under 2kg in weight will be free. I am sure that he would like you to send on letters, magazines, pictures of chicks on motorbikes, booklets on the EU Constitution, and the like. Such packages will make his barracks a home-from-home.

Joking aside, Lee Rotherham will be missed, both as a friend and colleague and we are all very, very proud of him. Particularly, proud that he is walking the walk in the war against terror and will be a cog in the wheel that is hunting the likes of Osama bin Laden and Saddam Hussein. Yes, the Saddam Hussein who had close trade links with the German and French Governments (Chirac even sold Saddam Hussein a nuclear reactor).

And we are being asked to enter into a Common Foreign and Security Policy, accept an EU President and an EU Foreign Minister!

Y ou Wait For A Euro Tour Bus And Three Don’t Come Along. Looking back over Dr Lee Rotherham’s Eurorealist career, I recall that he had a number of important successes. One of the most notable was his role in exposing and facing down EU propaganda. This reminding over Lee’s career has reminded me that in the summer Gordon Brown and Tony Blair announced their big-push to sell the euro to the sceptical British public. This was the third time the Government had re-launched its pro-euro campaign. The previous ones, including a bus tour to drive Peter Hain and Keith Vaz around the UK cost £60,000. Yet, the first two were abandoned after abject failure. Has anyone seen the third? I do not think that it even made it out of the garage.

So New Labour has not just been beaten on the issue of the euro referendum but also on the issue of EU propaganda. Together we managed to curtail much of the Government’s pro-integrationist propaganda. This bodes well for the campaign to secure a referendum on the EU Constitution.

A n Entente Conviviale for 2004 – not to be confused with the 1904 Entente Cordiale (though it would be good if the French Government was united with a British Government to defend freedom and fight dictatorships) – is emerging. The Entente Conviviale that I envisage is close co-operation between all the Eurorealist groups. It appears that think-tanks such as the Bruges Group and the European Foundation are working alongside campaigning groups such as Trust the People, Referendum04, Vote2004, the No Campaign, the Democracy Movement and the CiB.

There is no need for a controlling Umbrella organisation. Our diversity is our strength. All the groups have their own distinct brand and approach, and can reach different audiences. No one is stepping on each other’s toes. We have unity when and where it matters but are still free to use many strategies to fight against integration and for our positive vision.

The Eurorealist scene is alive and dynamic and starting to set the agenda. And Dr Lee Rotherham has played an important part in that campaign. I trust that he will be as successful in Iraq as he has been in Eurorealist politics.

Robert Oulds is the Director of the Bruges Group.
**The European Foundation**

The **Great College Street Group** was formed in October 1992 in order to oppose the Maastricht Treaty. The group, consisting of academics, businessmen, lawyers and economists, provided comprehensive briefs in the campaign to win the arguments in Parliament and in the country. The European Foundation was created after the Maastricht debates. Its task has been to mount a vigorous and constructive campaign in the United Kingdom and throughout Europe for the reform of the EC as a community of independent sovereign states. The Foundation continues to establish links with other like-minded institutes across Europe.

**Objectives**

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

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

**Activities**

The Foundation pursues its objectives by:

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

**The Foundation**

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

It concerns itself with the following main topics:

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

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