

Is Freddy's pledge the way to force Cameron's hand?

Providing that old rivalries can be forgotten three million eurosceptic voters have it in their power to force a referendum on what remains the central issue of British politics

It would be disastrous for the cause of Euroscepticism if at the next general election the big parties were again able to keep the issue of 'Europe' off the agenda. This could be more difficult to achieve than last time around because of the current attempt to revive the European constitution by our EU 'partners' and because the election date may be close to that for the European parliament. Nevertheless, the Tory leader continues to give the impression that 'Europe' is the last thing he wants to talk about and there is presently no reason for thinking that this will change. Given that their views on the subject are diametrically opposed to those of the majority of the population the Lib-Dems clearly have absolutely no incentive to display their pro-integrationist principles in public and every reason to conceal them.

More Complicated

Labour's election calculations are likely to be somewhat more complicated, but it is almost impossible to envisage circumstances in which the party leadership would raise fundamental issues relating to Britain's troubled EU membership. It is, of course, perfectly possible that at some stage the new Labour leader will wish to announce that he or she will not sign up to a slimmed-down constitution and that this might very well enable him or her to appear more eurosceptic than the Tory counterpart.

Such an announcement would come as no surprise to Paris or Berlin where it is generally assumed that the UK will not be among those ratifying a revised treaty text. But if political events do pan out in this way, the British people will again be denied a say about their political future and the process of European political integration will proceed largely as before, with Britain trailing along behind but in the same direction as everybody else.

What can conceivably be done to ensure this does not happen?

Ready Appeal

In a letter to *eurofacts* (see page 10), Frederick Forsyth suggests a way forward that could influence the calculations of the Tories in such a way as to force them to back a referendum on continued UK membership of the EU. It is one which on first sight is not likely to appeal to the United Kingdom Independence Party (UKIP) whose membership has been often been irritated - outraged would not be too strong a word - by Mr Forsyth's frequent appeals for UKIP candidates to stand down in constituencies where there are robust eurosceptic Conservative candidates. Mr Forsyth candidly accepts this and also acknowledges that his scheme will not readily appeal to David Cameron, either. But with Sir James Goldsmith's successful campaign to force a referendum on the euro in mind, he charts a course of action designed to

pressure the Tories to make an unqualified manifesto commitment to hold a referendum on the British membership of the European Union.

How is this to be accomplished? Well, supposing, he says, that UKIP voters, probably around a million of them, together with the two million habitual eurosceptic Tory voters, issued a joint ultimatum to the Tory party's leadership to the effect that their votes would only go the Tory way in the event of such an unconditional and unbreakable promise being made.

"No more pleading, no more asking, no more useless resolutions in windy corn halls, no more simpering assurances", he writes. "Just a flat ultimatum by three million voters, including 100,000 party activists".

Petty Squabbles

To be effective such an ultimatum would require a high degree of cooperation between eurosceptic organisations and an end to the petty squabbles between them, but it would not require them to merge or accept a large measure of central control, just an agreement about objectives. Nor would it necessarily require UKIP parliamentary candidates to stand down.

Mr Forsyth suggests that the appropriate vehicle to achieve this objective might be Paul Sykes' excellent Speak Out Campaign. In fact Mr Sykes has taken care not to target

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MEPs full of hot air (190,000 tonnes of it)

Figures showing the huge economic and possible environmental costs of having the European Parliament move to Strasbourg each month have been compiled by the East Midlands Conservative MEP Chris Heaton-Harris.

The European Parliament, the only assembly in the world to not have a sole seat, is currently spread over nine main buildings in three cities in three founder member states of the former European Community: Luxembourg, France and Belgium.

The figures, which have been analysed by the green research organisation *Climate Care*, show that MEPs are guilty of producing thousands of tonnes of carbon dioxide, unnecessarily, each month and more than 190,000 tonnes of carbon

emissions a year, largely due to their wholly unnecessary monthly trips to Strasbourg.

The annual electricity and gas costs alone just for the building of Strasbourg for 2005 have been put at 2,343,364 for electricity and 360,217 for gas as well; in addition there is the damage caused by the plane, train and car journeys that ferry the Parliament to the French city.

Mr Heaton-Harris said: *“Everyone associates MEPs with a lot of hot air, but it now seems that having two seats of Parliament is not only costing the taxpayer millions, it is also causing more disturbing untold damage to the environment”*.

Mr Heaton-Harris has been campaigning for the closure of the

Strasbourg parliament since 1999.

Summary of the figures obtained:

Annual electricity and gas costs for the buildings of Strasbourg.

Total expenses for the year 2005

Electricity	2,343,364 (42,847,121Kwh)
Gas	360,217 (12,929,779 Kwh)

Non-recycled (NR) waste discharged into landfills for the buildings of Strasbourg.

Total waste for the year 2004

Restaurants non-recycled waste	3,200 m3
Miscellaneous NR waste	380,000 Kg
Miscellaneous recycled waste	80,000 Kg

Breakdown of staff movements to Strasbourg - Total movements for the year 2004						
From	Number of movements					
	Plane	Train	Car	Total	Days	Cost ()
Brussels	2,936	2,136	4,752	9,824	36,018.50	6,683,729
Luxembourg	2	498	4,430	4,930	17,868.50	2,731,449
Other places	254	41	34	329	1,187.00	347,138
Total	3,192	2,675	9,216	15,083	55,074.00	9,762,316

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Is Freddy's pledge the key to Britain's EU exit

any single party (he seems to have had his full of two of them) and his on-line petition demands a repatriation of powers in specified areas rather than a referendum on EU membership.

Is it possible that the Speak Out Campaign might be adapted in order to serve the Forsyth strategy? If not, a new initiative might be launched to meet its objectives. However, the potential gains from such a course are sufficiently great to make it seriously worth thinking about and to avoid knee-jerk responses based on old antagonisms and attitudes. At present there is a dearth of imaginative ideas about how to overcome the political obstacles in the way of Britain's long

overdue exit from the European political project.

The strategy briefly sketched earlier might seem to require a degree of self-abnegation on the part of UKIP members whose party is gradually acquiring interests separate and distinct from its original purpose. But is this in fact the case?

Supposing Cameron were simply to react by telling the growing army of those signing up to the Forsyth pledge to get lost. This surely would give UKIP the most effecting recruiting tool it has ever possessed. If on the other hand, Cameron were finally to agree, however reluctantly, to promise a plebiscite on British EU membership,

UKIP would have come close to helping to achieve its dearest wish: an opportunity for the British people to express themselves on this most fundamental of all political issues.

To be sure there are many practical problems in the way of fulfilling the Forsyth dream, but it is surely worth examining whether these can be overcome. The prospect of another general election in which the most important issue facing this country by far doesn't figure, in which the goal of EU withdrawal is not advanced by a single inch and which does not lead to the election of a single UKIP candidate is surely too depressing to contemplate.

Trans-national authorities could soon be running the trains and hospitals

The plans for trans-national public authorities designed according to specifications set by Brussels understandably causes deep alarm and concern among British eurosceptics. But the nature of what is actually envisaged remains unclear and the language used to describe the EU Commission's thinking on this subject - as on much else - is almost impenetrable.

What will such groupings actually do? Little enlightenment is to be found in the statements of the Deputy Prime Minister who has championed the cause of both regional government and cross-border cooperation between regions in different countries. His website merely refers inquirers about the subject to another website which is entirely blank. But a speech by Danuta Hübner, the EU Commissioner for regional policy in Pamplona on the 24th November 2006 throws some light on what is planned. This promises that cooperation between authorities on different sides of the border will be "just as possible as between two authorities in the same country". In one respect Ms Hubner may

understate the situation since authorities from different member countries who cooperate to provide public services will enjoy the distinct advantage of receiving significant cash sums from the taxpayer.

Ms Hubner reveals that she has received no less than 64 proposals for cross-border programmes, although her remarks do not make it clear how many of these will involve trans-national cooperation and how many cooperation between different regions of the same country

More revealingly, the Commissioner made it clear that the new European Grouping of Territorial Cooperation (EGTC) will be able to manage individual projects as well as facilitate them.

"This concept is very much at the theoretical stage but the Commission could envisage an EGTC managing a cross-border public transport line, even potentially a hospital close to a border", she said.

There is no doubt, however, that the Commission regards the creation of trans-national bodies as an important tool for promoting EU integration:

twice as much money - 9 billion at current prices - is to be spent on its promotion during the period 2007-2013, fifty per cent more than during the previous six years.

Moreover, the new cross-border groupings will be able to acquire their own legal personalities thereby avoiding all those little inconveniences which may arise as the result of different legal systems on different sides of a national border. Northern Portugal and Galicia in North Western Spain are about to become the first to sign a convention as the result of a new legal instrument designed for this purpose.

The status of cross-border cooperation is also to be raised; previously it was just an EU "initiative", now it is to become an "objective", which will give it the same status as the EU's Convergence and Competitiveness programmes.

Three groupings involving parts of the the UK are envisaged under so-called "Strand A programmes": Kent/East Sussex and France (which is to be called TransManche, Wales-Ireland, and Northern Ireland-Ireland.

No need to 'annoy' people by asking them to vote

More is becoming known of French presidential hopeful Nicholas Sarkozy's plan to introduce a "mini" EU constitution while denying European electorates a say on the matter. Hints about the likely tactics and timetable have come from Sarkozy's lieutenant the Centre Right MEP Alain Lamassoure who has been touring EU capitals in order to drum up support for the plan.

According to *European Voice*, the on-line news service, on the 23rd November, Lamassoure said that the

revised text would include "only" the 120 articles which were either new or changed and not the 400 articles which were contained in previous treaties.

As this would only be an "ordinary treaty" there would be no need to "annoy the people" with another referendum, he explained.

Lamassoure said that a decision could be taken to launch a new Inter-governmental conference in June 2007 at the end of the German Presidency. Work could be concluded in the second half of the year under the Portuguese

presidency. This would leave the French presidency in the second half of 2008 free to focus on reform of the EU budget.

He said that Tony Blair had received the ideas "with interest" which, he added, increased the need to make rapid progress. Contacts with Gordon Brown had been "more complex". All of which suggests that Sarkozy and his allies will try to ensure that their plans are sufficiently mature to leave Brown little scope for manoeuvre if, as expected, he replaces Tony Blair.

Grim demographic future for Germany

According to projections by Germany's Federal Statistics Institute, the decline in the German population is "inexorable". In 2050 the country will have 69 to 74 million

inhabitants, compared with 82.4 million today. Life expectancy will be seven years longer than today, and the average age will increase from 42 years to 50. There will be twice as

many people over the age of 60 as newborn babies, compared with equal numbers today.

Source: *Le Figaro*, 10th November.

Will the Special Relationship survive Bush and Blair?

The Prime Minister's obsession with Europe may well explain why there was no worthwhile payback for Britain's support for the war in Iraq

By Gerald Frost

In widely quoted remarks a senior State Department analyst has suggested that the special relationship between Britain and America is collapsing because of Tony Blair's failure to get anything worthwhile in return for the immense political capital he invested in the Iraq war.

Kendall Myers, a State Department said: *"It was a one-sided relationship that was entered into with open eyes...there was nothing. There was no payback, no sense of reciprocity...one of the most brilliant Prime Ministers has been ruined for all time...that is tragic"*.

He added: *"...what I fear is that Britain will draw back from the US without moving closer to Europe. In that sense London's bridge is falling down"*.

Myers, an American europhile, paints a picture of monstrous US ingratitude and complete Presidential indifference to the advice and wishes of the British Prime Minister.

Was the British Prime Minister really as gullible, weak and malleable as Myers suggests? It is true that Britain has received nothing worthwhile in return for the lives and political capital invested in the Iraq war. But it does not follow that Blair made no demands of the US President. It seems far more likely that he did ask for favours: what politician would not? But it also seems likely that his demands reflected his own particular obsessions - including his strong personal commitment to European political integration - rather than the national interest. There are good reason for thinking that the US President, who was hardly in a position to refuse, gave Blair very much what he wanted.

In a recent publication from the US Heritage Foundation* Robin Harris, a former adviser and speech writer to Margaret Thatcher, suggests that Bush rewarded the British Prime Minister

with the following:

- A shift of US policy in favour of aid to Africa - a particular Blair obsession.
- The toning down of US rhetoric on the Kyoto accord in order to assuage European sensibilities on the issue.
- A more favourable view of the Palestinians, at least until the election of Hamas.
- An agreement that policy toward volatile South-east Europe would be set largely by the British Foreign Office.
- And above all, a more favourable attitude toward the European project at a time when American hostility to the EU was growing - this in order to make Blair's domestic political life more comfortable.

Harris comments: *"From these ambiguous triumphs, Blair may take a little personal credit; but what they all have in common is that they do not advance British national interest in the slightest degree, and they accordingly cut no ice with British public opinion"*.

Pathetic Selflessness

"It is unfair to describe the U.S. Administration as ungrateful: it has never been asked for any favours worth having. Instead, the inside accounts of Blair's dealings with the President have conveyed to the British public a slightly pathetic selflessness, which might be accounted as an asset in a personal friend but seems misplaced in a national leader".

What then should Blair have asked for? I would suggest the following: a preferential share of the contracts handed out after the invasion of Iraq (extraordinarily, given the level Blair's support for the war in Iraq Britain received no special treatment in this regard); a greater say in the conduct of

the post-invasion reconstruction of Iraq; and, given the mediocre nature of much British defence equipment, a closer US-British relationship in terms of weapons procurement.

Instead, Blair pursued his liberal internationalist agenda while persuading the US President to accept that a more closely integrated Europe would be in American interests.

It is possible that in his dealings with Bush, Blair *may* have expressed reservations about the wisdom of trying to introduce democracy in Iraq overnight, of dissolving existing Iraqi institutions and inventing new ones from scratch, and of trying to stabilise and pacify so large a country with small a military force. It is also possible that he did not make his criticisms sufficiently robust and that he failed to ask the difficult questions because of an innate dislike of personal confrontation, as a recent book by Con Coughlin, the *Daily Telegraph* journalist, has suggested. It is hard to imagine Churchill or Thatcher being inhibited in this way.

The irony in all of this is that Blair has badly damaged a relationship which he undoubtedly believes to be of immense importance.

In the past the Special Relationship has worked because of three factors: shared values, common historical experience and practical cooperation at the level of security and national defence. Future cooperation in this area will now be infinitely more difficult to achieve and will require skill on the part of future Presidents and Prime Ministers if the relationship is to be repaired. It is one which has survived poor personal relations between Presidents and Prime Ministers. Whether it can survive the warm personal relations between Tony Blair and George Bush is an entirely different matter.

Britain's demographic profile is changing at a bewildering rate

The UK has the biggest loss of tertiary-educated citizens among developed countries

By Anthony Scholefield

Britain's demographic profile is rapidly changing. So much so that on present projections 40 per cent of the population in 70 years time will not be descendants of those who were living in the UK in 1997. This is clear from the figures for migration for 2005 released by the Office of National Statistics.

The change, which is far greater than that occurring in the United States, is likely to have profound and wide-reaching economic, social and political implications. These will need to be much more widely understood if there is to be an informed debate on immigration from the EU and upon immigration-related issues generally.

The measurement of demographic change is based on changes occurring in the population within the previous year taking into account both the numbers of those leaving a country as well those coming in. Debate in this country has focussed almost exclusively on immigration with the result that the change taking place in the composition of the British population has been significantly underestimated. The fact is that the British people are changing far more rapidly than is realised.

Since 1997 the demographic change has amounted to 4.5 per cent, with long-resident British citizens being replaced by non-British, resulting in a net increase in total population of about two per cent (see

Table 1). The net figures show that, in nine years, 619,000 British citizens left the UK and 2,014,000 non-British arrived. The rate of change accelerated

both a country of immigration and emigration. Immigration as a percentage of the existing population has surpassed the USA immigration percentage since 2002. Emigration has always been a massively higher percentage of the UK's population than the USA. For the USA to reach the same emigration rates as the UK, 600,000 US native-born Americans would have had to have left the US in 2004 compared to the actual 48,000.

One striking difference between the two countries is to be found in the number of emigrants with tertiary education. As a World Bank report by Frederic Docquier of the University of Lille has shown Britain has by far the biggest loss of those with a tertiary education among developed countries, and the USA by far the lowest.

In 2000 the number of tertiary-educated British and American citizens living outside their native countries was as follows:

UK: 1,542,011
USA: 428,078.

The difference is all the more striking given that the US population is five times that of Great Britain.

Although the United States has a history as a nation of immigrants the figures show that Britain is going through a process of demographic

transformation which is far more rapid. The substantial replacement of the British people in a couple of generations is now a real possibility.

in 2004 and 2005 so that in 70 years nearly 40 per cent of the British population would not be descendants of the 1997 British citizens if present trends of 2004/5 continue. (This excludes trends in mortality and

fertility.) A comparison with demographic change in the US is instructive (See Table 2). Unlike the USA, the UK is

Table 1: UK Demographic Change (all 000's)

Net Flow	All [a]	British citizens [b]	Non-British [c]	Demographic Change [b+ c]	% Population
1997	+47	-60	+107	+167	0.27
1998	+139	-23	+162	+185	0.30
1999	+163	-23	+186	+209	0.35
2000	+163	-57	+220	+277	0.46
2001	+172	-53	+225	+278	0.46
2002	+153	-91	+244	+335	0.55
2003	+151	-85	+236	+321	0.53
2004	+222	-120	+342	+462	0.77
2005	+185	-107	+292	+397	0.66

Table 2: USA Demographic Change (from US Census)

Net Flow	All [a]	USA native born [b]	Non-USA born [c]	Demographic Change [b+ c]	% Population
2001	1,339,827	-48,000	+1,387,827	+1,435,827	0.50
2002	1,449,334	-48,000	+1,497,334	+1,545,334	0.52
2003	1,286,118	-48,000	+1,334,118	+1,382,118	0.47
2004	1,221,013	-48,000	+1,269,013	+1,317,013	0.44
2005	1,049,526	-48,000	+1,097,526	+1,145,526	0.39

Trade deficit with the EU is huge - and rising

The UK surplus on its trade with the USA rises for the fourth year running

By Ian Milne

The overall deficit with the EU is deepening, going from under £1 billion in 2001 to over £32 billion in 2005. That overall deficit is caused mainly by the deficit on trade in goods: for every £100 of goods the UK sells to the EU, the EU sells £130 of goods to the UK (see Table 3). This clear from the new *Pink Book** which contains breakdowns of the UK current account up to and including 2005. It confirms once again that the UK, on its trade with the 24 other EU countries (which absorb about 40 per cent of the UK's worldwide exports), is in heavy deficit. On its trade with non-EU countries (which absorb about 60 per cent of UK exports) the UK is in surplus (Tables 1 and 3).

The single biggest country component of the deficits with the EU and with the whole world is the deficit with Germany (Table 2), and that deficit is mainly in trade in goods. For every £100 of goods that the UK sells to Germany, Germany sells £170 of goods to the UK.

In contrast, the UK is in substantial -

and growing - surplus on its trade with the USA (Table 3). The USA accounted for the UK's biggest trade surplus in 2005. The UK's next four biggest recorded trade surpluses were with Ireland, Australia, the Netherlands and Mexico (though the surplus with the

Goods	40%
Services	21%
Income	36%
Transfers	3%
Total	100%

Netherlands, due mainly to an apparent surplus on investment, may not be reliable, due to the Netherlands Distortion, which severely distorts the underlying "real-economy" position of that country as a source and destination of investment). Entrepôt trade (i.e. goods passing through Rotterdam on their way somewhere else) as well as UK trade in oil and gas, much of which

is done in Rotterdam, may also cause the "real-economy" position of the Netherlands to be over-stated.

Outside the EU and the USA, it can be seen from Table 3 that the "UK deficits with others" shrank steadily from 2000 to 2004, only to expand in 2005.

Finally, Table 4 shows that in 2005 exports of goods accounted for just 40 per cent of the UK's worldwide exports. Receipts of income accounted for another 36 per cent of the UK's worldwide exports. Table 4.1 of the *Pink Book* (not shown here) shows that 42 per cent of income was in earnings on direct investment abroad, 32 per cent on "other investment abroad", mainly banking operations, and 24 per cent earnings on portfolio investment.

The *Pink Book* is admirably comprehensive and clearly laid-out (much better in these respects than its German and French counterparts). It is on the ONS web-site and can be bought in book form as well.

Table 1: UK Trade with World: Breakdown EU/Non-EU: 2005: £ billion

	Goods	Services	Income	Transfers	Total
UK - EU:					
1. UK sells to EU	120.2	45.4	76.9	10.0	252.4
2. EU sells to UK	156.2	47.2	65.6	15.6	284.6
3. UK balance	(36.0)	(1.8)	11.3	(5.6)	(32.2)
UK - non-EU:					
4. UK sells to non-EU	91.0	65.7	110.1	6.3	273.2
5. Non-EU sells to UK	122.3	40.9	91.6	12.9	267.6
6. UK balance	(31.3)	24.8	18.5	(6.6)	5.6
UK - World					
7. UK sells to World	211.2	111.1	187.0	16.3	525.6
8. World sells to UK	278.5	88.1	157.2	28.5	552.2
9. UK balance	(67.3)	23.0	29.8	(12.2)	(26.6)

Source: UK Balance of Payments: Pink Book 2006: Table 9.1: pages 122-124 www.statistics.gov.uk

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Cross-border tax base ‘in five years’

European companies could be operating across EU borders using a common tax base within five years, Laszlo Kovacs, the EU tax commissioner told finance ministers on the 28th November.

Mr Kovacs says that he hopes to be ready with a legislative proposal in early 2008 and that it could come into force as early as 2011 if member states give their backing.

Germany, which takes over the EU presidency in January, is one of the main backers of the project - which aims to create a common basis for taxing corporate profits - and has vowed to give it extra momentum.

Britain and Ireland, are expected to opt out of the new system on the grounds that it impinges on national tax sovereignty. Other relatively low-tax jurisdictions, such as Estonia and

Slovakia, may also decide to stay outside the system, fearing that the introduction of a common EU tax base could be a “Trojan horse” for moves to set common minimum tax rates.

The Hungarian commissioner says 18 out of the EU’s 25 members have signalled enthusiastic or “cautious” support for the project, as have Bulgaria and Romania, which join the club on the 1st January.

If some members of the EU decide to stay outside the initiative, the rest could proceed under the “enhanced co-operation” mechanism, creating a core of countries sharing the common system for tax co-operation.

Among the many complexities involved in devising a new cross-border tax model is the question of cross-border loss relief and the allocation of corporate tax receipts

between countries where a company is active.

Charlie McCreevy, the Irish EU commissioner for the internal market, said he believed the technical problems were so big that the work might not be completed “in our lifetime”.

However, work at an expert level, while painstaking, is said by EU diplomats to be moving ahead. Britain, although unlikely to participate in the new scheme - at least initially - is among those providing tax experts to help with the technical work.

It is typical of the British attitude towards EU affairs that the UK government should assist a scheme it doesn’t believe in, even though the pressures for Britain to join are bound to grow once the scheme has been completed.

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Trade deficit with the EU is huge - and rising

Table 2: UK Trade With Germany: 2005: £ billion

	Goods	Services	Income	Transfers	Total
a. UK sells to Germany	23.0	7.8	11.7	0.5	43.0
b. Germany sells to UK	39.0	6.9	13.3	0.4	59.6
c. UK balance	(16.0)	0.9	(1.6)	0.1	(16.6)

Source: UK Balance of Payments: Pink Book 2006: Table 9.1: pages 122-124 www.statistics.gov.uk

Table 3: UK Trade* Balances 1999 - 2005: £ billion

Counterparty	1999	2000	2001	2002	2003	2004	2005
UK Surplus with USA	4.8	9.6	6.3	11.5	14.8	15.7	19.5
UK Deficit with EU-24	(9.2)	(6.3)	(0.7)	(10.2)	(22.0)	(27.8)	(32.2)
UK Deficits with non-EU, non-US	(17.3)	(28.1)	(27.5)	(17.8)	(7.7)	(7.2)	(13.9)
UK Balances with World excl. EU	(12.5)	(18.5)	(21.2)	(6.3)	+7.1	+8.5	+5.6
UK Deficit with Whole World	(21.7)	(24.8)	(21.9)	(16.5)	(14.9)	(19.3)	(26.6)
UK Deficit with World/UK GDP	2.4%	2.6%	2.2%	1.6%	1.3%	1.6%	2.2%

*Trade consists of Goods, Services, Income and Transfers

Source: UK Balance of Payments: Pink Book 2006: Table 9.2: page 127 www.statistics.gov.uk

Trading in hypocrisy

The EU makes much of its assistance to developing countries but its non-tariff barriers leads to dumping and lower world prices

By James Gubb

On Monday the 16th October, ministers from the EU's 25 Member States agreed to provide 2 billion a year in aid to developing countries to help them liberalise as per the terms of the 'Economic Partnership Agreements' (EPA). Dubbed 'Aid for Trade' by the EU Commissioner for Trade, Peter Mandelson, the money was supposed to be evidence that the new trade agreements are a development tool to help lift thousands out of poverty. A 'stepping stone to sustainable development' in the oracle's words.

On the 29th November the *Financial Times* reported the following leaked letter from EU Commission officials Stefano Manservigi (head of the development directorate) and Karl Falkenburg (deputy head of trade) to the Fijian trade minister Kaliopate Tavole:

"In your draft EPA submission, detailed development co-operation provisions form an integral part of the text", the Commission officials write. "As you know, this is not acceptable to us".

Correct me if I am wrong, but there seems to be a contradiction here.

The same letter also calls for aid and EPAs to be "mutually reinforcing", but ultimately kept separate. This is worrying for developing countries. As a recent report by Oxfam highlights, while the European Development Fund's budget has been increased to 22.7 billion (2008-13), in response to African, Caribbean and Pacific (ACP) countries' concerns about the costs of

EPAs, it is estimated that 21.3 billion is needed just to fund the EU's existing aid portfolio in this period. Not much money left for the 'Aid for Trade' then.

And this is assuming the aid actually gets there in the first place. Botswana's trade minister, Daniel Moroka, makes one of the understatements of the century in saying: 'The track record of the European Commission in terms of disbursing EDF funds is not good'. Let's be honest, it is pretty awful. An estimated 30 per cent of pledged aid is not actually delivered, and a third of reported EU aid did not actually provide any new aid for developing countries.

Substantial Access

But why the fuss about this aid? Trade liberalisation is good right? But two points need to be considered here. Firstly the EPA, due to come into force in January 2008, signals the end to the series of 'Lome Conventions' that provided 'preferential' trade and aid to ACP countries. Under these conventions, ACP exporters were given substantial access to EU markets, while ACP countries retained the right to protect their producers from EU exporters. Now, under WTO rules that are mirrored in EPA, ACP countries are expected to compete on an equal footing with the EU: both parties must liberalise to give duty-free access to 'substantially all' exports within a 'reasonable time'. Inevitably there will be heavy 'short-run' costs for ACP countries in attempting to

compete in this way - one study estimates conservatively a figure of 9.2 billion. We should also remember that virtually all countries that have developed in the past have done so by employing some kind of tariff policy. Not allowed here.

But secondly, and more importantly, trade liberalisation to give duty-free access to 'substantially all' exports to the EU and to the ACP countries is not in any shape or form free trade and certainly not fair trade. There is no equal platform. Why? Because the EU is very effective at imposing certain non-tariff barriers to trade - something called the Common Agricultural Policy springs to mind. For example, removing agricultural export subsidies makes up around 4 per cent of the total subsidies given to farmers in the EU. The bulk comes from production subsidies, that artificially increases the amount of food on the world market, lowers global prices and with the excess produce dumped in developing countries.

And then there are the national champions, such as Danone, the French yoghurt manufacturer, that of course deserve special protection. In the words of Sir John Sunderland, the departing chairman of the CBI, 'the hypocrisy of [the EU] is staggering'.

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French businesses see French policy on Europe as negative

A poll of French directors, conducted by Roland Berger consultants and CSA, has shown that 71 per cent of respondents are "disappointed" with France's European policy. Vincent Mercer, Director of Roland Berger France

noted that this was part of a wider "eurosceptic" attitude in the French population that comes in the context of the recent rejection of the EU Constitution. When questioned on enlargement, 61 per cent saw the

process as "weakening" the EU.

Le Figaro, quoted in the *Open Europe* Press Summary on the 30th November. For a wider account of changing French attitudes towards the EU see *eurofacts* for the 1st December 2006.

New EU rules will govern the 'beautiful game'

eurofacts provides an exclusive insight into the proposals contained in the forthcoming white paper on sport

European sports ministers have agreed a number of proposals which they believe should govern the organisation and administration of the 'beautiful game'. These are contained in the "Independent Sports Review", a report by former Portuguese minister Jose Luis Arnaut which, according to the soccer magazine *Goal*, is set to become a key part of a European white paper on sport. The proposals are expected to include rules to prevent billionaire football club owners like Roman Abramovich buying up all the best players, controls on how much clubs should be allowed to pay their players as well as regulations governing racism, gambling, the trafficking of young players and much else besides.

The EU may have eroded national sovereignty, undermined the Mother of Parliaments, outlawed imperial weights and measures, complicated our relations with the US, forced up food bills and regulated everything that moves and subsidised everything that doesn't - but the average Brit has scarcely flinched. We suspect, however, that there are areas of national life where the Commission would be wise not to go. Especially when, thanks to *eurofacts*, the soccer-loving public learns that in future the

game will be built around the key concepts that regulate other aspects of life in the EU. The way in which these will be applied is described below.

Harmonisation: Players must be between 180 cm and 2 m tall. In order to ensure equality of opportunity those who exceed the height limit will be required to wear weighted shin pads while those below the minimum height will be required to wear built-up boots.

Competitiveness: Unbridled competition, which in the view of the Commissioners is akin to the law of the jungle, will not be permitted; accordingly, teams which embarrass opponents by the wide margin of their victory will be penalised.

Convergence: wide disparities in terms of team performance will be discouraged generally; at the end of each season bonus points will be awarded to clubs with the greatest number of draws.

Inclusivity: there will be bonus points for clubs which include players from the greatest number of EU countries; in order to encourage this principle teams may field up to 25 players at any one time. Preliminary trials involving mixed-sex teams held in the car park ground behind the Barlaymount in Brussels have suggested that an 11-5-8 formation has

much to recommend it.

Effective communication: the phrase "whistle-blowing" creates intense anxiety in Brussels; consequently referees will use loudspeakers rather than whistles; they will be assisted by a large army of official EU interpreters with whom they will communicate by radio.

Multi-lingualism: players who abuse the referees in more than one language will not be treated more leniently than those whose oaths are merely uttered in a single tongue.

Regionalisation: national teams will be regarded as an out-of-date anachronism and for that reason will be replaced by regional teams. Players born in London and the south east, for example, would be expected to represent the TransManche region which includes Northern France as well as Surrey, Sussex and the Isle of Wight.

Note to readers: As a general rule eurofacts discourages parodies of EU institutions and conduct on the grounds that these are likely to be less absurd than the real thing. But should the forthcoming EU white paper on sport contain any of the above please remember that you read it here first!

EU moves closer to single driver's licence

In a major step toward a common European Union driving licence, a European Parliament committee has approved draft rules to replace 110 different permits currently in use in the member countries with a single document.

More than 200 million Europeans who currently hold licences for cars, motorcycles, buses, vans and trucks will be able to obtain a new licence, valid for up to 15 years. Permits for trucks

and buses will be valid for five years.

There will be a graduated licensing system for motorcycle riders who are more likely to be involved in accidents.

Newer motorcyclists will be required to gain experience on smaller motorcycles before moving to more powerful bikes.

Member states will have the option to introduce regular medical exams for drivers.

An EU licence will be issued by

2012.

Governments have 20 years to phase out current permits.

A single European driving licence will replace drivers' licences for life in Belgium, France, Austria and Germany.

EU members approved the measure in March. The full 732-member Assembly will vote on the directive in Strasbourg in a final step.

LETTERS

Tel: 08456 12 12 65 Fax: 08456 12 12 75 email: eurofacts@junepress.com

Wanted: 3 million pledges

Dear Sir,

Your correspondent Peter Stubbings believes in the idea of David Cameron cheerfully adopting a policy of British extrication from the EU is a pipedream. And he is entirely right. But who said anything about *cheerfully*?

Let me propose an even weirder scenario. I wake on the morning after the next election to find that although UKIP have not secured a single seat over thirty per cent of their candidates managed to keep their deposits. Let's be brutally frank: a UKIP vote is a protest vote. You might as well pee in the Channel to raise the temperature.

But this is not so crazy. Suppose the UKIP voters (about a million) and the two million robustly Eurosceptic but habitual Tory voters united behind a banner saying: if you do not give an unbreakable manifesto pledge to grant us a national referendum on our destiny within twelve months of entering Downing Street, we will not vote Tory and you will never see Downing Street save as a cocktail guest. But if you do give that pledge, we will unify and put you through the black door.

At that point, the lusts evoked by Ralph Maddern operate in our favour...red boxes, chauffeured limos, POWER. And about a hundred MPs and a hundred candidates would be out there telling the lad: we are absolutely not going to lose our seats to satisfy your ego. Guarantee the Brits their second referendum or else.

It would take about three million voters over the closest 300 constituencies to win or lose the next

general election. That is the plan of the Speak Out Campaign and I support it. No more pleading, nor more asking, no more useless resolutions in windy corn halls, no more simpering assurances. Just a flat ultimatum by three million voters including 100,000 party activists. But we have to unify and register as 'pledgers', not keep quarrelling among ourselves and putting EU-fanatic Labour in, with the Lib-Dems as back-up.

FREDERICK FORSYTH
Hertfordshire

BBC Bias

Dear Sir,

Your criticism of the BBC's superficial and biased coverage of EU affairs was fully justified. Indeed, it may not have gone far enough.

The European Parliament's debates may be excruciatingly boring and the documents and press releases from the Commission and other EU agencies written in style that is designed to discourage public interest. But this does not excuse the BBC's very evident lack of interest in what is going on behind the scenes. Indeed, now that sixty per cent of laws or thereabouts are made in Brussels the BBC has a statutory obligation to describe the political forces which are shaping our future. But it has almost entirely ignored the current attempts to press ahead with the task of European political integration regardless of public opinion and has similarly ignored the phenomenon of what has been termed "the creeping constitution".

There is a huge story to be told - but the BBC does not wish to tell it.

Mark Thompson, the BBC Director General has backed up his promise of

improved coverage of EU affairs by pointing to the appointment of a senior television journalist, Mark Mardell, as its European Editor. It should be noted that Mardell's task is very different from that of the huge staff that reports Westminster. Although far more numerous than the BBC's European staff its concern is exclusively with political news.

Mardell's remit is so wide that he is expected to report on terrorist activities in European cities, Papal visits to European capitals, natural and man-made disasters, the domestic political affairs of member states and much else that occurs in Europe but has little directly to do with the functioning of the EU.

Even if he wished to devote his time and talents to describing and analysing the interplay of political forces in Brussels and their impact on the lives of ordinary British citizens - which is surely what he ought to be doing - he would not have the opportunity to do so.

The inescapable conclusion must be that the BBC does not wish to report what is happening in the EU because it does not wish to draw attention to a process which is systematically destroying the foundations of democratic self-government.

MARK JAMIESON
London

Christina for Leader!

Dear Sir,

Christina Speight for Conservative leader! (*eurofacts* letters 1st December)!

JOSE H. O'WARE
Middlesex

The season's greetings

eurofacts wishes its readers the compliments of the season.

Our next issue will be published on the 12th January 2007

MEETINGS

Gresham College
020 7831 0575

Monday **22nd January**, 6.00 pm

“Corporation Tax or Income Tax: Which is the greatest con?”

Michael Mainelli, *Mercers’ School Memorial Professor of Commerce at Gresham College*

Tuesday **30th January**, 6.00 pm

“The government of London”

Vernon Bogdanor CBE. FBA,
Gresham Professor of Law

Tuesday **6th February**, 6.00 pm

“Caps of liberty: The oddity of democracy”

Richard Barker, *Gresham Professor of Rhetoric*

PUBLIC MEETING

Barnard’s Inn Hall, Holburn, London
Admission Free

Brighton Philharmonic Orchestra
01273 709709

Sunday **25th February 2007**, 14.45 pm

A British Symphony, conducted by Barry Wordsworth.

(Mr Rodney Atkinson, the well known political author commissioned Andrew Grant, the organist, Choirmaster and Composer at Her Majesty’s Chapels Royal, to compose “A British Symphony” - The work is in the form of a unified symphony which links, inter-plays and unites the separate strands into a musical finale of one British identity - This work was commissioned to provide a counter-balance to those forces both within and without who wish to break-up the United Kingdom.)

CONCERT

Concert Hall, Brighton

Admission £6 to £23 by ticket

(Mon-Sat at the Brighton Dome Ticket Office - Tel: 01273 709709 - 29 New Road, Brighton. or online at www.brightondome.org)

**United Kingdom
Independence Party**
01722 744814

Saturday **14th April 2007**, 11.00 am

Speakers to be announced

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DIARY OF EVENTS

2006

UK Parliamentary Recess Starts **19th December**

2007

Germany takes over EU presidency **1st January**

Accession of Bulgaria and Romania to the European Union **1st January**

UK Parliamentary Recess Ends **8th January**

Berlin Declaration on the Future of Europe **27th March**

French Presidential Election **22nd April**

French Parliamentary Election **June or July**

Portugal takes over EU presidency **1st July**

2008

France takes over EU presidency **1st January**

Sweden takes over EU presidency **1st July**

USEFUL WEB SITES

British Declaration of Independence

www.bdicampaign.org

British Weights & Measures Assoc.

www.bwmaOnline.com

Bruges Group

www.brugesgroup.com

Campaign Against Euro-Federalism

www.caef.org.uk

Campaign for an Independent Britain

www.cibhq.co.uk

Democracy Movement

www.democracymovement.org.uk

EU Observer

<http://euobserver.com>

European Commission (London)

www.cec.org.uk

European Foundation

www.europeanfoundation.org

European No Campaign

www.europeannocampaign.com

Foreign Affairs

www.foreignaffairs.org

Freedom Association

www.tfa.net

Global Britain

www.globalbritain.org

June Press (Publications)

www.junepress.com

Labour Euro-Safeguards Campaign

www.lesc.org.uk

New Alliance

www.newalliance.org.uk

Open Europe

www.openeurope.org.uk

Regional Assemblies

www.regionalassemblies.co.uk

Speak Out Campaign

<http://speakout.co.uk>

Sovereignty

www.sovereignty.org.uk

Statewatch

www.statewatch.org

The People’s “No” Campaign

www.thepeoplesnocampaign.co.uk

United Kingdom Independence Party

www.ukip.org

SELECT COMMITTEES

House of Lords

020-7219 3000

Tuesday **19th December**, 11.00 am
Evidence will be heard by the *European Union Committee* from the Mr Geoff Hoon MP, Minister for Europe.

Tuesday **19th January**, 3.40 pm
Evidence will be heard on *Employment and Training Opportunities for low-skilled young people* from Dr Anna Vignoles, University of London; and Prof Steve Nickell, Nuffield College Oxford.

Note: Committee Meetings can change from Public to Private without warning

The European Question and the National Interest

by *Jeremy Black*. **£16.99**

A leading historian's interpretation of Britain's relations with EU/EC/EEC.

A Democratic Europe: An Alternative to the EU

by *Richard Body*. **£10.00**

Sir Richard lays out the case for a truly democratic European Union as opposed to an undemocratic super power.

The Great Deception: Can the European Union survive

by *Christopher Booker & Richard North*. **£9.99**

This book is the most comprehensive history of the EU.

The Truth They Won't Tell You (And Don't Want You To Know)

About the EU

by *Vernon Coleman*. **£9.99**

A further 269 useful facts you need to know about the development of the EU.

Hard Pounding: The Story Of The UK Independence Party

by *Peter Gardner*. **£9.99**

An inside story of the rise of UKIP.

Britain and the EU: Time to Move On

by *Christopher Hoskin*. **£3.95**

The EU malaise and the cure.

The Future is a Foreign Country

by *Matthew Illsley*. **£10.00**

Full of useful detail and quotes on how and why we got into the EU mess. It leads to the conclusion that withdrawal from the EU is the only way forward.

Disappearing Britain

The EU and the death of Local Government by *Lindsay Jenkins*. **£14.99**

The detailed Brussels agenda for the break-up of the United Kingdom.

The Missing Heart of Europe

Does Britain hold the key to the future of the Continent?

by *Thomas Kremer*. **£11.99**

Can nation states flourish? A European businessman's view of the impact of divergent national cultures.

The Referendum Roundabout

by *Kieron O'Hara*. **£8.95**

A lively and sharp critique of the role of referendums in modern British politics, includes the 1975 vote on Europe, devolution, and a possible Constitution.

EU: Papacy Reincarnated?

by *Mark Stout*. **£9.99**

This book explores the origins and functioning of both the EU and the Medieval Papacy from a legal/political/historical perspective and unearths a startling number of parallels.

Corruption - The World's Big C

Cases, Causes, Consequences, Cures

by *Ian Senior*. **£12.50**

Senior shows how corruption in the EU is becoming worse and why the UK should not sign up to the proposed European Constitution.

The Benefits of Tax Competition

by *Richard Teather*. **£12.50**

Teather argues that EU attempts to harmonise taxes will damage the world economy.

Video

Britain On The Brink

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Labour Euro-Safeguards Campaign

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Global Britain

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Open Europe **0207 197 2333**

POLITICAL PARTIES

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Democratic Party **01684 891700**
Mr Geoff Southall

Labour **08705 900 200**
Rt Hon Tony Blair MP

Liberal **01562 68361**
Mr Michael Meadowcroft

Liberal Democrats **020 7222 7999**
Rt Hon Sir Menzies Campbell MP

New Britain Party **020 7247 2524**
Mr Dennis Delderfield

UK Independence Party **01626 830630**
Nigel Farage MEP

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