

Resistance

£42Bn: FINANCING THE EU's AMBITION



Over 2007-13, the UK will pay the EU

£42 Bn net **(£6 Bn a year)**
£75 Bn gross **(£10.5 Bn a year)**

63% up on payments in 2000-6

(Figures all very approximate; source: Open Europe).

THE DOORMAT OF EUROPE

"Tony Blair began his EU Presidency as a tiger... and has ended up a doormat." observed German Sunday paper, Welt am Sonntag (18.12.05) after Tony Blair's cave in over UK budget contributions.

It wasn't totally unexpected. Having told MPs: "The UK rebate will remain and we will not negotiate it away. Period." (8.6.05), Blair waffled on CAP reform and how "everything was open to debate" if there was a review on how the EU spends "its money" (sic).

He climbed down after continental leaders insisted that the CAP payments agreed in 2002 must be honoured. Shame that there was a collective 'memory loss' on another EU leaders' agreement on budget contributions and EU enlargement.

"Although the envisaged enlargement to 10 new Members States was **unanimously agreed** at the Berlin European Council in March 1999, the UK insisted and obtained that enlargement-related expenditure be taken into account"

- Commission internal report 'Vol II' COM(2004) 505 final, p.20:

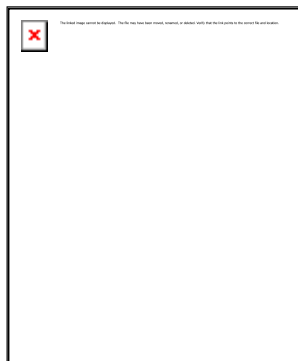
❖ The ten countries that rushed to join the EU in 2004 also accepted this.

❖ Yet Blair had the cheek to tell the Commons that the 'deal' was 'essential', and it would have been "a betrayal of everything that Britain has rightly stood for" **not** to have paid up! (19.12.05).

❖ The '£7Bn extra' we're paying in from 2007-2013 is not ring-fenced for the newcomers, but goes into a pool that will cover various EU purposes, such as "administration" and propping up the various leaky EU initiatives that let it pose as 'a world power' while many of its members' economies are straining under its policies.

❖ A quick check on five budget headings reveals plans to spend over EUR 30Bn extra from the pool. ('Financial Perspectives 2007-2013')

❖ President Chirac got it right when he called it: "...a good deal for Europe, which provides sufficient means to **finance its ambitions**". (EUObserver site, 17/12/05).



❖ After the Budget cave-in, European Commission President Barroso further angered taxpayers by suggesting that the EU should be directly funded by the 'citizens of Europe' without the need for governmental wrangling. (FT, 19.12.05; D. Express, 21.12.05).

❖ The Commission reviews options, such as an income tax levy, but feels that VAT and a rise of 41p per litre of road fuel are better. (COM(2004) 505 final).

❖ Budget figures are only very rough, so don't quote them as gospel. They will depend on several factors such as exchange rate, measures for national wealth and purchasing power, inflation and others joining the EU.

They must be agreed by a European Parliament that wanted even higher spending, and are subject to a review in 2008!



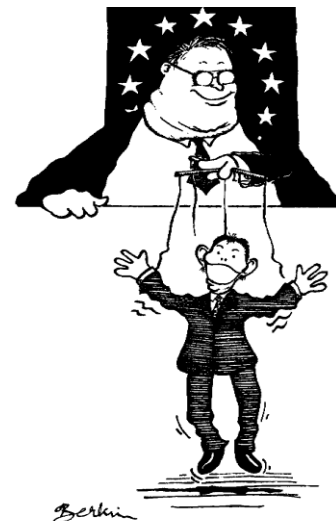
Masters of Europe: Germany's Angela Merkel was credited with the budget 'success' and is **not** waiting until 2007 to revive the drive for the EU Constitution - as some report.

❖ On top of the £42Bn (net) cost, we should add what 'EU grants' we get back, as these go on what the EU wants, and count any money we must pay in 'matched funding'.

❖ The UK now has a budget 'black hole' of £30Bn, and healthcare trusts are having to cancel operations after funding problems. (S.Times, 13.11.05)

❖ Ironically, a key theme of the UK EU Presidency was the 'fight against terrorism'. The Metropolitan Police, fully stretched, has requested £60m for specific extra funding. While the Government rushes ahead with its bizarre (Euro-)regionalisation of forces, estimated cost of £600m, it has reportedly reneged on assurances to give police forces 'everything they need' for its anti-terrorist operations (Times, 28.12.05).

Blair's Place In History



"The British people are the pay-masters. We are the servants of other peoples. We must never forget that..."
 - Blair's May 1997 speech on being elected, slightly updated)



WILL THE REAL DAVID CAMERON PLEASE STAND UP?

In his successful campaign to lead the Conservative Party, David Cameron made one memorable commitment: to remove his MEPs from the EPP-ED group in the European Parliament.

EPP. European People's Party. A Europe-wide political party of 'Christian Democrat' (federalist) origins and a federalist 'Basic Programme' of policies. Firmly wants common electoral system, EU Constitution without national vetoes & EU income tax.

EPP-ED. European Parliament group dominated by the EPP. Around 1/3 of the 27 Conservative MEPs might fairly be regarded as 'Eurosceptic'. Sir Robert Atkins MEP claims that Tory MEPs have complete freedom of belief and action within EPP-ED, although Martin Callanan MEP claims Conservative MEPs are still obliged to "follow the common policies of the [EPP] Group" - a group which believes in, among other things, a European army and police force, tax-raising powers for MEPs and a single EU seat at the UN"

This clashes with the stance of his predecessor, Michael Howard, which forced MEPs to pledge to remain in EPP-ED. Many therefore feel that Cameron's commitment might be difficult to keep - at least before the next elections in 2009.

This will be an interesting early test - both of his authority as Leader, and of his 'Eurosceptic' credentials - some feel that the commitment might have been made for internal electioneering purposes. The task of 'negotiating' removal will probably fall to shadow Foreign Secretary William Hague, who, as Party Leader, willingly brought his party closer to the EPP.

Atkins adds: "As William Hague put it in 1999, when he confirmed our associate membership of the EPP-ED Parliamentary Group - "I simply cannot afford to have my political opponents in the House of Commons suggesting that I am isolated from the mainstream Conservative parties on the continent of Europe."

New German Chancellor, Angela Merkel, and her CDU party are committed members of the EPP. She reportedly warned Cameron that she would freeze relations with him if he did not show up at the 'EPP Summit' on 15.12.05. (Cameron did not, but claimed a diary commitment.)

In his personal manifesto, Cameron offered 'bold and consistent leadership'. To be consistent, then, he will have to review the position of Conservative members of the EU 'Committee of Regions' (COR).



EPP-COR: A BRIDGE OVER TROUBLED WATERS?

The EPP group within COR's Mission statement notes "As in any other political assembly, members and alternates of the Committee of the Regions form political groups reflecting their political allegiances.

The group's publication 'Your Guide' also confirms that the listed members of COR are "full fledged members of the EPP group in COR", adding that other individuals may join EPP-COR if they have "sympathy with the EPP's policy" (p7).

Its Political Priorities (2002-6) reflect the EPP Basic Programme - which is unashamedly federalist, and the Group's integrationist stance is clear:

"The EPP in the COR has openly said yes to a constitution which responds to the demand for a Europe which is closer to the people...and which paves the way for a real bottom-up European integration".



Cameron at least has a sense of humour - appointing Kenneth Clarke to head his Party's working group on democracy!

These committed 'democrats' and 'localists' call for pushing ahead with the rejected EU Constitution over the heads of Dutch & French voters.

EPP-COR's Political Priorities note (p15) that "COR members are willing to fully contribute to further European integration policy and to take a proactive part in areas where more of Europe is needed". It calls for a 'common European educational area' (Education policy is still 'national').

EPP-COR regards the EPP party and the EPP-ED group in the European Parliament as 'strong partners.

The COR website lists **all of the Conservatives** as EPP members; 'Your Guide' lists Lord Hanningfield and Gordon Keymer as 'EPP Coordinators'; Sir Simon Day leads EPP-COR's CAP working group.

CONSISTENT IN INCONSISTENCY

Cameron's personal manifesto said: "We believe in national sovereignty. But not in isolation and xenophobia. Now is the time to fight for an open and flexible Europe, with a high growth, low unemployment future."

Confusingly, he also holds: "We should be proud of the fact that we are a leading member of the EU". (Telegraph, 3.11.05)

When asked if he believed that Britain should pull out of the EU, he replied: "No. I believe that Britain has an enormous amount to gain through co-operation and free trade in Europe."

The 'Conservative Home' blog notes: "Mr Cameron made very Eurosceptic pledges.... He also said that he would consider writing the supremacy of the British parliament into law".

CONFRONTATION WITH REALITY

Sooner or later he will have to come off the fence, as he cannot realistically face both ways at once. On BBC1 Question Time, 3.11.05, he said he wanted the UK to take back powers on social policy and employment policy.

If his wider view expressed then is that policies had to be "credible" with young people, he might take note of a Hague article, "The youth of today? They make me glad", from 2004.

"Their political views will come as a big shock to some of their elders: 80% are against joining the Euro and 70% don't even want to be in the EU at all. It would do Cabinet ministers good to go and listen to them more often".

Cameron is supposed to be against the 'federal agenda' of the **EU Constitution** being imposed through the back door. The UK is already lumbered with **85%** of it through the **ratchet** of the current Treaty that prevents the return of powers. EU membership means accepting the judgement of the European Court of Justice and legal precedents indicate that member states are bound to work to the *intentions* of any new Treaty (i.e. the other 15%) under principles of 'good faith' and 'loyal co-operation'.

If Cameron became PM he would be in a strait-jacket. If he was serious about 'consistency and integrity' or his mantra 'Change to Win', he might even be haunted by his own words:

"Why put off what needs to be done?"

IS THE EU CONSTITUTION REALLY DEAD?



Excuse the ghoulish imagery, but far from being totally dead, about 85% of the Constitution can be found in the current Treaty of Nice. This body of European law is not only alive but also kicking in the corridors of power.

The EU's leaders who unanimously approved the Constitution on 29.10.04 will be trying to graft some more 'body parts' to this Treaty and bring to life bits of the Constitution.

German Chancellor Angela Merkel's appointment to her Foreign Ministry post is - Frank Walter Steinmeier. (No doubt a total coincidence, but you couldn't make it up). Keen readers of horror fiction will watch what rises from the slab, and if the 'monster' so created the downfall of its creators!

'EU ID CARD' PLAN RUMBLED

❖ On 8.12.05, the Guardian perceived move towards a pan-European ID card. Apparently, Britain's minister for 'e-Government', Jim Murphy, spent a conference denying any EU plan to introduce ID cards. Oddly, he seemed to be launching a document saying the opposite - his EU conference outlined "ambitious targets" for 'electronic identifications' in accessing services.

❖ 2008 is target date for smart EU 'health insurance cards', which also the date the Government wants for rollout of smart/ID cards and the EU Hague Programme's intention of "a swift abolition of internal border controls.... (*"as soon as possible after 2007"*). By coincidence ID cards are touted as an EU 'internal passport'.

❖ We have also seen Home Office correspondence of 11.11.05 giving a clue to EU inspiration behind UK moves towards ID cards. It noted: *"The use of a civil financial penalty to enforce a scheme is in line with other European schemes"*.

❖ The UK EU Presidency has also pushed for 'minimum EU standards' for ID cards to include RFID chips - which can be read remotely and might constitute a threat to privacy (see Document 14390/05).

MORE INTEGRATION BY STEALTH

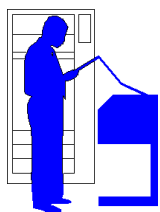
Apart from the Budget shock - keeping up the tradition of sell-outs in the quiet period just before Christmas, many will have been lulled into thinking that the Presidency was 'uneventful'. They could not be more wrong.

Writing in the Spectator, 26.11.05, Times journalist **Anthony Browne** noted creeping EU control in areas such as:

- Air-traffic and airline safety
- Biotechnology (where the UK is a leading player)
- Defence
- Educational Research
- 'Common Energy Policy'
- Immigration policy (e.g. all non-Europeans who complete a PhD in Europe will automatically be given EU citizenship)
- Law and order
- Nuclear energy
- Space / 'spy satellites'
- 'Tax co-ordination'.

(Browne is no arch-sceptic, believing in 'pooling sovereignty' in some areas, but for him, this was too much. He felt that the government should 'openly debate' the powers being given away)

Christopher Booker noted Britain and other EU countries moving to close down embassies abroad and replace them with the EU's emerging 'diplomatic service' - without waiting for the Constitution to be ratified. (D. Mail, 10.12.05). Booker has written extensively about the EU's Galileo satellite with its tracking capabilities.



Population tracking will also rise in 2006 with the proliferation of roadside cameras that'll read vehicle number plates (Independent, 22.12.05).

Over the period 2004-14, the UK **e-Borders** programme will gradually track passengers by air, sea and rail (and internal flights?). Everyone will be 'profiled' as possible terrorists, smugglers or 'other criminals'. The data will be used in **'intelligence-led policing'**.

(We uncovered a UK EU Presidency blueprint for a 'European Criminal Intelligence Model', 'intelligence-led policing' - with Europol centrally storing and analysing data, which would 'increase the effectiveness of Europol and other EU bodies.)

Although e-Borders seems a UK initiative, Privacy International (4.7.05) notes links to the 'European Council Declaration on Combating Terrorism' and Directives. The Home Office is looking at charging passengers fees to cover its costs.

July's London bombings gave the UK EU Presidency (a.k.a 'Government') an excuse to promote 'action against terrorism'. Document 15106/05 quietly came out on 29.11.05. The European Council agreed its 'EU emergency and crisis co-ordination arrangements'.

Although it pays lip-service to the 'primacy' of member states in response to an emergency, this is hardly backed up by the use of 'subsidiarity' - which the EU would interpret as doing things at a European level where this would be 'most effective'. The arrangements are to enable 'co-ordination capability across all areas of EU activity'.

These could encompass a range of disasters, including:

- co-ordinated terrorist attacks,
- loss of air traffic control systems or telecomms networks,
- disruption to oil pipelines, or other industrial or environmental disasters,
- a major health emergency, such as a flu pandemic.

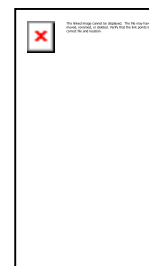
'THE INTERESTS OF THE UNION'

Although claiming not to be concerned with 'co-ordination arrangements affecting individual member states', it addresses arrangements which might be used to 'assist' in emergencies:

- having a 'direct effect' on different member states,
- 'where the interests of several member states are engaged together with the responsibilities of EU institutions

The EU would form a 'crisis steering group' including several bodies such as ARGUS, its proposed 'crisis co-ordination structure'). It would have an **extensive co-ordination role**. In a real emergency, even if action was officially a **joint** decision of EU and national representatives, the brief to work to **pre-agreed arrangements** would imply EU-level co-ordination.

All of this would happen in the backdrop of the Treaty of Nice, whose loose wording on 'security' issues holds member states will *"refrain from any action that is not in the interests of the Union"* (Title V, Art. 11).



A THOUGHT AFTER BUNCEFIELD...

Would the EU regard our North Sea oil as 'Europe's oil' or an UK resource if supplies were affected?

How would the EU regard 'the interests of the Union' in the case of the spread of Avian Flu? Watch out for developments in 2006....



A CALL TO ARMS

❶ The Telegraph (22.11.05) noted that any EU Budget deal must be **acceptable to Parliament**. We contacted the Commons Information Office, who, although helpful, could only point to a document saying the deal had to be approved 'according to constitutional requirements'.

With a 1994 precedent, when 8 Tory MPs lost the whip after opposing higher EU contributions - there could be a **vote**. (This might not be until *after* European Parliament approval in January). If there is to be a vote (**can anyone please advise?**), we can 'keep Europe an issue' by using the press and lobbying MPs and peers.

November showed that Blair *can* be outvoted - apart from his party rebels, there will be others worried about longer-term issues for public spending and council tax levels.

❷ There are a lot of potentially useful reports and consultation papers on local and regional government on odpm.gov.uk - **does anyone have time** to skim through them, please?

❸ The same site has a consultation paper on more powers for the GLA and Mayor Livingstone. (Copies can also be had via 0870-1226 236, quote document ref: 05 RCU 03507). The deadline for responses is **22.2.06**.



Gerard Batten MEP has a good pamphlet: 'ID Cards and the Police State', for more info ring (020) 7403 7174

Or download from: www.gerardbattenmep.co.uk/pdf/idcardssept05.pdf

❹ **MORI's** work for the BBC (15.2.05) shows that most people have low knowledge of, and interest in, the EU. However the more aware tend to be critical of both the EU and the BBC.

❺ **FIB OF THE WEEK:** "*The EU Arrest Warrant 'protects the rights of defendants'*" - UK EU Presidency".

❻ Deputy PM John Prescott held a Bristol UK Presidency meeting on 'sustainable communities' (?). His 'European Evidence Review' document (6.12.05) piously claimed that it was 'important' to protect 'valued natural areas'.

However, the house-building blitz favoured by his regional bodies has been condemned as 'unsustainable'.

A Cambridge Evening News letter (2.11.04) quoted independent report concerns on a planned regional development: ("*serious negative impacts on water resources, tranquillity, air quality, recreational access and congestion...and the risk of increased flooding*") were being ignored to get ODPM's proposal through. It concluded that the Regional Plan consultation was a sham.

❼ A report on ODPM plans for Essex led County Council Leader Lord Hanningfield to claim a bill of £13Bn for council tax payers for new facilities to support the homes - in a worst-case it would take 100 years to make up the shortfall at current spending levels (Essex Enquirer, 6.10.05).



❽ New Labour has dropped 'British' for 'National Rail' and renamed HMSO as 'The Stationery Office' on a weak excuse. Now it appears the 'Britannia' 50p coin was dropped for 2005; with an uninspiring 'Johnson's Dictionary' replacement. We tried to ring the Royal Mint to confirm their website but they were on extended holiday.

Minting another 'EU Presidency' coin, as they did in 1998, might have made the public more vigilant....

❾ The EU might face a backlash from voluntary groups after its thoughts on making non-profit organisations (NPOs) register - fund-raising rights may be conditional upon this and there might be a compulsion to use bank accounts for all transactions.

NPOs might have to ensure that no funds are spent on 'terrorist' purposes or 'other criminal abuses' - but of course it won't involve 'bureaucracy'.

'EU grants' might be made available to complying NPOs - however the fact that strings are currently attached to grants might ensure that they are prevented from saying anything that gives the EU a bad name or working against the EU's interests. (refs: COM(2005) 620 final, 13851/03/rev4).

Never mind the EU's record on grants to dubious groups, leaky accounts....

❼ An end-of-Presidency report shows various 'Plan-D' moves to whitewash the EU. The Commission is hoping to enlist film stars, sportsmen and other celebs as 'goodwill ambassadors' to improve its image with 'EU citizens'. However when asked if he would get involved in promoting the EU, 'Bridget Jones' star and Oxfam activist Colin Firth immediately refused!

Iris Binstead has done a sterling job of reviving the missed Pam Barden's SOS newsletter. For hard copy, send stamps to: 5 Battery Park, Polruan-by-Fowey, Cornwall, PL23 1PT or email irc.binstead@virgin.net for the electronic version.

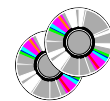
CAMPAIGN SUCCESSES

This has been a difficult quarter, as information has been (we suspect deliberately) difficult to find on the UK EU Presidency website. Over budget issues, Blair changed position like a weathercock before his final flop.

However, persistence pays, and we're pleased to bring you plenty of original research for use in letter-writing etc.

Ruth Lea (ex-IOD, Centre for Policy Studies) has backed EU withdrawal. When she was in her 'EU reform' phase, we wrote to her with chapter and verse why 'renegotiation' was not on. Won't pretend it was necessarily the main factor, but it was a joy to hear of her conversion. (We have also passed information on to others such as the Taxpayers' Alliance, journalists and MPs).

The **Constitution** debate will resurface (watch out for the EPP Summit and 'Iron Maiden' Merkel on 30.3.06). As people with some political literacy realise that it is being brought in **by stealth**, and in contempt of French and Dutch voters, the choice of 'in' or 'out' sharpens. Show them that 'EU reform' is a mirage - legally and politically - and the penny drops.



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