

## A threat to our liberties that hasn't even been noticed

*As the result of a new EU strategy on fighting terrorism non-governmental organisations may be obliged to register with a central authority*

Why should non-governmental organisations - the very yeast of free societies - be forced to register with a central authority? Totalitarian states ban non-state bodies altogether, while authoritarian ones try to control or neuter them, often through complex and demanding registration procedures.

In several parts of the former Soviet system it is clear that although ministers pay lip service to the importance of civil society they still fear the growth of rival centres of influence and authority - and act against them. In November, the Duma, Russia's lower house of parliament, in a 370-18 vote, approved the first reading of a bill that would require all NGOs to *re-register* with a state commission. The bill's sponsors say the aim is to prevent money laundering and improve financial oversight. Rather more credibly, Russian NGOs say its purpose is to curb their activities.

It is disturbing - though not at all surprising - to learn that the European Commission is thinking along similar lines. An Item Note from the secretariat of the EU Council to Coreper/EU Council (No 14694/05) dated 18th November refers to an EU strategy on terrorist financing "*including the registration of non-profit organizations*". This, it needs to be pointed out, is a category which comprises charities, pressure groups, campaigning bodies, interest groups, educational and humanitarian trusts including non-profit-making think

tanks.

The document - which offers no explanation of any kind as to why the registration of non-government actors would assist the fight against terrorism - embraces NGOs in the same kind of sickly prose used by partially reconstructed ex-communists to disguise their ambivalence towards organisations that they fear may get out of control.

### 'Shared Responsibilities'

An Annex to the document says that NGOs are so vital that they need to be "safeguarded and maintained". "*Safeguarding the integrity of the non-profit-making sector is a shared responsibility of states and non-profit organizations*", it says.

Meanwhile a paper from the Commission President, Margot Wallstrom and other Commissioners ("Proposing the launch of a European Transparency Initiative") says that they are considering "**compulsory registration of interest groups represented in consultative bodies and/or compulsory registration for all lobbyists**".

Calling on member states to "develop their knowledge of their non-profit sector, its activities and vulnerabilities", the first of these two documents also presumes to lecture NGOs on their responsibilities:

*"Transparency, accountability and good governance lie at the heart of donor confidence and probity in the non-profit sector"*.

Pretty rich coming from an organisation whose affairs are opaque, which makes its decisions in secret and whose governance is a by-word for incompetence and corruption. But it is the illiberalism of the EU approach rather than its hypocrisy that is most worrying.

Non-governmental bodies do not need to be 'maintained' or 'safeguarded' by the state, nor do they need politicians or bureaucrats poking around in their affairs in order to expose their "vulnerabilities"; what they need is an impartial set of laws within which to run their own affairs. A system of compulsory registration which is likely to include demanding criteria as well as penalties for non-registration is bound to pose a threat to the independence of such bodies and to provide the Commission with an effective tool with which to silence those NGOs which are critical of it or which decline to do its bidding.

"It is seldom", wrote David Hume, "that liberty of any kind is lost all at once". The assault on our liberties by Brussels has in the main been gradual rather than dramatic, but, perhaps out of a sense of desperation, the attacks upon those liberties are now coming more frequently than at any time in the history of the European project. The plans for a system of compulsory registration for non-governmental organisations, which so far has not merited a single line in any of our national newspapers, is more sinister than it sounds: ultimately it threatens the liberties of us all.

# EU to create European Crimes

*If the Commission gets its way Parliament will no longer have the sovereign right to decide what constitutes a crime and what the penalties shall be*

For the first time in history Parliament will no longer have the sovereign right to decide what constitutes a crime and what the punishment for it should be under proposals drawn up by the EU Commission. These will effectively create a body of pan-European law.

This development demonstrates in the most dramatic way possible that the rejection of the Constitution by the French and Dutch voters has not slowed the integrationist ratchet and that the promise that the referendum in those countries would be followed by a period of quiet reflection is a hollow sham. Likewise the pledge by the Commission President and his communications commissioner Margot Wallstrom that the Commission would 'listen much harder to ordinary people' before introducing further integrationist measures.

The EU's proposals, which were revealed by Anthony Browne, the European correspondent of *The Times* on 24th November represent one of the biggest and most blatant attempted power grabs in the history of the European project. They followed a ruling from the European Court of Justice in September in a case involving an alleged breach of environmental law. The issue was contested by several EU Governments but their objections were overruled by the ECJ. The judgment opens the way to the establishment of a supranational EU criminal law code over large areas of public policy.

Although the case before the

European Court in September involved a breach of environmental law only, a Commission statement on 23rd November said that the Court's reasoning can be applied "to all Community policies and freedoms which involve binding legislation with which criminal penalties should be associated in order to ensure their effectiveness".

## Majority Voting

Under the proposals the Commission will have the right to propose European crimes and the level of penalties which will then have to be approved by a majority vote in the EU Parliament and by a majority of EU members. A country which refused to implement EU legislation could be hauled before the ECJ and compelled to do so.

The Commission listed seven offences that it believed should become European crimes immediately, as well as a number of others which are currently being considered for inclusion in the list.

*The proposed EU Crimes are:*

- Counterfeiting euro notes and coins.
- Credit card and cheque fraud.
- Money laundering.
- People-trafficking.
- Computer hacking and virus attacks.
- Private sector corruption.
- Marine pollution.

*Those under consideration are:*

- Intellectual property theft.
- Racial discrimination and the incitement to racial hatred.
- Trafficking in human organs and tissues.
- Corruption in awarding public contracts.

British legal experts have suggested that the Commission's proposals could open the way for still other areas of activity - from consumer protection to the production of cosmetics.

Of course, it may be that the first attempts to win majority backing for the creation of a European crime will fail. But the record suggests that the Commission will bide its time and wait for a more propitious climate in which to achieve its goal. It will probably not have to wait long. Which major European politician (with the possible exception of President Klaus of the Czech republic) would have the courage to oppose the introduction of a European crime of marine pollution in the wake of some appalling trans-national environmental disaster? Or would block proposals to create a European crime of people-trafficking following a harrowing example of young women sold into prostitution?

The fact that the Commission's announcement has caused scarcely a stir of controversy and has gone unreported by many British newspapers does not augur well.

## A thing of the past

*What is strange about this devolution habit is that it should coincide with the presumption of progress towards a European super-state. If all European national identities are a thing of the past, as EU Commissioners believe, then Scotland and Wales are prehistoric. Douglas Murray, Neoconservatism: why we need it, Social Affairs Unit.*

## The season's greetings

*euofacts wishes its readers the compliments of the season.*

*Our next issue will be published on 14th January 2006*

# Huge and growing deficit on UK trade with EU-24

As the table shows, on the United Kingdoms trade in goods and services with EU-24, its deficit has grown every year since 2000, to £32 billion in 2004. (In 2004 the UK imported £183 billion from EU-24, while exporting only £151 billion to

EU-24.)

Over the five-year period 2000-2004 inclusive, the cumulative UK deficit on its trade in goods and services with EU-24 was £108 billion. The UK was also in deficit on its trade in goods and services with countries outside the

European Union, but the cumulative amount over 2000-2004 was roughly three times smaller (than with the European Union) at £39 billion. Moreover, the deficit with non-EU countries in 2004 was half what it was in 2000.

UK Deficits on Trade with EU-24: £ Billion					
	2000	2001	2002	2003	2004
<b>Goods</b>	5	12	22	26	29
<b>Services</b>	2	2	3	4	3
<b>Goods and services</b>	7	14	25	30	32
<b>Income (surpluses)</b>	(6)	(16)	(19)	(14)	(14)
<b>Transfers</b>	5	2	4	5	5
<b>Totals: all categories</b>	<b>6</b>	<b>1</b>	<b>10</b>	<b>21</b>	<b>22</b>

Source: Chapter 9: UK Balance of Payments, The Pink Book 2005 [www.statistics.gov.uk](http://www.statistics.gov.uk)

## Life in Topsy-Turveydom

By John Culverwell

*Let's remember Edward Heath  
The Premier with the tombstone teeth  
Remember also with dismay  
Those things he gave away.  
With not so much as "Do you mind?"  
With no excuse of any kind,  
He yielded up to foreign powers  
Rightful freedoms that were ours.  
No longer may we rule ourselves  
That's now a job for Euro-elves.  
Our fishing grounds he gave to Spain  
Never for Brits to fish again.  
Every hour of every day,  
More than a million pounds we pay.  
It goes to where corruption's rife  
And squandering is a way of life.  
True audits never happen there,  
All is bent and nothing square.  
So what good things did we obtain  
For all this money down the drain?  
Well Brussels swamps us with directives,  
Regulations and correctives.*

*EU law now rules our lot.  
Our native law has gone to pot.  
"Great stuff" the Eurobuffs proclaim,  
"We do not care for Freedom's Name.  
We like it more, we like it lots  
When we're all tied in Euro-knots.  
Democracy? That's just a fad,  
When we've lost it, we'll be glad.  
Rule by edict and decree  
Is by far the best say we."  
Eurobuffs quite grave and serious,  
Hector us their tones imperious  
"The Euro is without a doubt  
The thing we cannot do without."  
But what became of Tombstone Ted  
Who led us to this pass so dread?  
For all the crimes that he enacted.  
What retribution was exacted?  
Was he hanged or burned or blighted?  
Good heavens no! The man was knighted!  
Truly, truly we have come  
To dwell in Topsy-Turveydom!*

# Hurrah for Hannan!

As the author of this crisply written monograph points out, people in EFTA are more than twice as rich as those in the EU. They also enjoy lower inflation, higher employment, healthier budget surpluses and lower real interest rates. They also export more per head than EU states, selling \$16,498 per capita to overseas markets - the highest ratio in the world.

Since British Euro-philés have always based their argument on economic necessity, EFTA pretty well demolishes their case. Here, after all, says Dan Hannan, is empirical evidence that countries which participate in the European market without subjecting themselves to the associated costs of membership are wealthier than full EU members.

Nor is this coincidence. The EFTA states have found a way to have their cake while guzzling away at it. They are not identical, of course; each one has struck its own accord with Brussels. In particular, there are important differences between Switzerland, whose relations with the EU are mediated through sixteen sectoral treaties, and the other three, which are members of the European Economic Area (EEA). But, as the author demonstrates, there are some

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## The Case for EFTA Alternatives to the EU

By *Daniel Hannan MEP*

Bruges Group, Nov. 2005  
Pamphlet 16 pp

Available from *The June Press*  
Price £3.00 + p&p  
(see back cover)

ISBN 0-9547087-3-3

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things that can be said of all four of them.

The EFTA states participate fully in the so-called Four Freedoms of the single market - free movement, that is, of goods, services, people and capital. But they are outside the Common Agricultural Policy. They control their own territorial resources, including fish stocks and energy reserves. They administer their own frontiers and admit whom they choose onto their territory. They settle their own human rights questions. They are exempt from a good deal of EU social and employment law (all of it in the case of Switzerland). They are able to

negotiate free trade deals with third countries. And all are sovereign democracies.

Having made the case for EFTA effectively and succinctly Hannan goes on to reject a series of myths that have been spread in order to denigrate the EFTA option - from the claim that Britain's size makes it an unsuitable member to the suggestion that we would have less influence in the world were we to be rash enough to quit the EU.

That he is able to do this so effectively is partly a reflection of his skills as a polemicist, but it is also due to the strength of the eurosceptic case. In the long run we can be reasonably sure that good arguments will drive out bad, that it will not be possible for Europe's political elites to ignore global economic realities indefinitely and that ultimately Britain will adopt policies that better reflect national interests. However, in the great debate on 'Europe' the time-lag between intellectual victory and political action is proving to be depressingly lengthy. In the circumstances, there is no alternative but to go on rehearsing the case for British withdrawal from the EU again and again and with as much verve as possible. No one writing today does this better than Hannan.

## EU propaganda outlets to open in UK

What is it that every EU member possesses at least one of - except Britain? The answer is an EU Direct Centre.

In all there are 393 of them in EU member states. Germany has 47 of them, Spain 43, France 39, Greece has a dozen and even Latvia has eight as does Ireland. Their purpose is to provide allegedly "impartial" information about EU policies, legislation, programmes, institutions and funding as well as a help-line for citizens with problems or questions.

The EU Direct Centre project was launched by Tony Blair and Jacques Santer during the British Presidency in 1998. But although the Commission has put aside no less than 840,000 (£572,000) for the creation of 40 such centres in Britain, none yet exist and work has yet to start on the first of

them. The official reason for the Government's tardiness is that it wanted further clarification about the scope and purpose of the Centres - which seems strange since Tony Blair helped dream up the project in the first place and presumably had some inkling about why they were needed. The real reason, of course, is that a year ago Government feared that the creation of a national network of propaganda outlets - itself part of a European network of such centres - would be counter-productive ahead of a referendum on the constitution and a general election. But the Government believes that it doesn't now need to worry about public opinion on EU matters to the same extent. In the words of the UK European Movement which has been pressing the Government to push ahead with the scheme as a matter

of urgency: "*The Europe Direct question is now freed from the constraints of a forthcoming referendum on the Constitutional Treaty, or a General Election Campaign*".

It is deeply revealing that the UK European Movement (partly funded by the Commission), which appears to have taken on some of the campaigning functions of the defunct *Britain in Europe* should regard the democratic process as a "constraint". The depressing news is that the EM is now claiming victory in its struggle to force the government's hand in this matter. An article in the November issue of the organisation's newsletter says it has learned from Douglas Alexander, the Europe Minister that the tendering process for EDCs is soon to be reopened.

# The mysterious cancellation of Black Arrow - Britain's last rocket launcher

*Was Britain's abandonment of its space programme  
part of the entry price to the EEC?*

**By Dave Barnby**

**B**lack Arrow was a three-stage rocket launcher capable of putting a payload of about 100kg into low earth orbit. It was conceived in 1964 by the Royal Aircraft Establishment (RAE). It was essentially a modification of the 1950s Black Knight sounding rocket and it was hoped that it (Black Arrow) would, after the cancellation of Blue Streak, keep Britain in space at a modest level, until costs of a larger rocket capable of launching satellites into synchronous orbit might later be justified.

The small size indicated that there was little will by the Wilson Government for a British space programme in the late 1960s and the small budget - £9 million - left no room for trial and error in the development. Five Black Arrows were, however, built and four were launched into space at Woomera, Australia, the first in 1968. But it was not surprising, with such penny-pinching, that one launch failed due to technical problems, as did the first attempt at an orbital launch in 1970.

## **Negotiations**

When a Conservative Government replaced Labour in 1970 Black Arrow and the space programme's future became the target of cuts. A Parliamentary Select Committee was due to meet in June 1971 on the future of the British space effort, but before the Committee could report the decision to cancel the Black Arrow project was taken, (according to records, about the 21st May). The official reason given was that the programme was too costly, but the timing of the cancellation and also Britain's simultaneous withdrawal from ELDO (the European Launcher organisation), as well as the fact that negotiations to join the Common Market were in their final delicate stages, raises the very strong suspicion that Britain's space programme was

sacrificed in the same way as the fisheries, in order to appease the French who had for over eight years opposed Britain's entry.

As it was, the last Black Arrow worked perfectly, and on 28th October 1971 (after the precipitate abandonment had been announced), launched Prospero, Britain's first satellite, into orbit. It was placed into a 531/1402 km orbit, and will continue to circle the Earth every 100 minutes for the next 40 years. With the correct equipment, the satellite's radio transmitter can still be heard broadcasting on 137.56 MHz.

What, then, was the sequence of events that led up to the untimely demise of Britain's short-lived space programme?

## **Notable Successes**

The records show that it was the Wilson Government that initiated the Black Arrow programme - in November 1966, albeit, under very tight financial constraints. When Heath came to power on the 18th June 1970, Black Arrow was well into its programme of development and, as we have seen above, had carried out tests flights in Australia. However, within a month of the election the writing was on the wall. We see what amounts to a pleading letter from a worried Colonel R.W. Millo of the Ministry of Technology, claiming that *'...the relatively little cost of the space technology programme, has already enabled the UK to attain some notable successes in international contracts and helped to sustain our credibility as a forward looking technological nation'*. His letter lists the small amount spent in comparison with France, Germany and Japan.

This plea was followed, within weeks, by a series of correspondence and minutes, starting with one by Maurice MacMillan, the son of Harold

MacMillan, Prime Minister until 1964, recommending cost cutting in the field of science and technology. Clearly the new regime had a passionate dislike of matters technical, MacMillan arguing that it was the business of private industry to finance high tech ventures such as space. The scene was set, then, to argue that the Black Arrow programme was too costly, and this led to the decision to cancel it at the end of May 1971.

## **Belated Interest**

However, study of the records shows apparent and supposedly covert efforts by the Government, and in particular the Foreign Office, to conceal cancellation from the French (and the public at large) for a period of just weeks leading up to the conclusion of negotiations with them to enter the Common Market.

Why the fear that the French should get to know? It seems strange that the French, at this time, demonstrated a sudden and belated interest in Black Arrow, which should and did appear as an acute embarrassment to the Government. Correspondence with the General Aubinière, Directeur Général of the Centre National d'Études Spatiales demonstrates this French enthusiasm for collaborating with Britain, calling for their own Diamant launcher to be used in combination with Black Arrow in a joint programme. There is much on file which makes perhaps too much of the effort to conceal cancellation from the French. For whose consumption was this correspondence urging concealment from the French? If this was a covert operation to keep the cancellation from the French, then surely it would be marked SECRET, not Confidential, as it was?

By the beginning of July, negotiations with the French on EEC entry terms

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# The mysterious cancellation of Black Arrow

are concluded, and the pressure for concealment immediately ends: *'Now that Common Market negotiations are over, and relations with the French are more friendly, there is no reason to conceal what we are really thinking...'* (cancellation of Black Arrow), is recorded in the minutes of a meeting with Prime Minister, Edward Heath, on Wednesday, 7th July 1971.

It is also interesting that suddenly (after six weeks of interest), and coincidentally the same minutes record, *'...nor have the French any further use for Black Arrow'*. The minute incidentally, describes Black Arrow as *'...a political embarrassment'* - so Wilson's much vaunted 'white hot heat of technology' speech, had become, as far as space was concerned, a Heath political embarrassment.

It is also not surprising that relations with the French became more friendly, given that they had just succeeded in pushing through a thoroughly advantageous Common Agricultural Policy (CAP), acquired Britain's fisheries as a 'common resource', and if the conclusions of this commentary are correct, eliminated Britain from space, leaving them free (from British competition) to go on and develop a very successful and profitable series of launchers. While the French got into space, Heath went on to receive the EU's most coveted award - the Charlemagne Prize, and the money that went with it.

It remains, though, to try and make sense of the enthusiastic

correspondence from General Aubinière, for collaboration with Britain in a small launcher programme. It is perhaps strange that talk of a small launcher collaborative effort between France and Britain should appear as late as 21st May 1971, just six weeks before a Cabinet meeting with the Prime Minister concludes the French are no longer interested (see above).

## Joint Venture

Whether or not General Aubinière was a bona fide collaborator, it is easy to speculate that the fleeting collaborative proposal was dreamt up solely to distract those who might otherwise have suspected a sell out of Black Arrow by the British negotiating team. The defence of such accusations are easy to imagine: *'if the French wanted us to abandon our space programme, then why would they be so interested in a joint Diamant/Black Arrow venture'?*

When you consider that Heath's Government was, in the summer of 1971, desperate to convince a very sceptical Parliament and public (3 to 1 against entry, earlier in the year) to support Britain joining the Common Market, then it is understandable that, if a deal was struck with the French to end Black Arrow, everything possible would have had to have been done to cover up the fact. The CD entitled 'EEC Entry Campaign 1970-72' shows that the Heath Government had no scruples in waging a vicious propaganda campaign against the

British people and subjected its own MPs to all sorts of nasty intimidation to get the 'prize' he sought. So, if there was a deal over Black Arrow in exchange for removal of French objections to Britain's membership of the EEC, then it would have been in character for a cover story, as postulated, to have been put in place.

If Britain does not have a space programme today, then we certainly have Edward Heath to blame in the same way, as he is to blame for the loss of Britain's well-conserved and rich fishing grounds. But if Edward Heath also conspired to deceive the public over a deal to get us into the Common Market by ending the space programme, as is now well documented he did over our fisheries, then this fact should not go unrecorded in the historical record and proper historical censure recorded.

The aftermath is recorded in the Booker column of the *Sunday Telegraph* on 24th July 2005, that *'Much of EU's planned satellite network, including Galileo, set up as a rival to the US GPS system is to be provided by France. From all these contracts British and US companies are excluded...'*.

Copies of the CD entitled *EEC Entry Campaign 1970-72* are available from the June Press, see back page.

## Half of UK legislation starts in the European Union

### **Lord Pearson of Rannoch asked Her Majesty's Government:**

What proportion of new United Kingdom legislation has originated in the European Union since 1998? [HL1999, 14 Nov 2005].

The Parliamentary Under-Secretary of State, Foreign and Commonwealth Office (Lord Triesman): Based on the

analysis of regulatory impact assessments carried out on EU and domestic legislation, we estimate that around half of all UK legislation with an impact on business, charities or the voluntary sector emanates from the EU. Analysis by the Library of the House of UK statutory instruments implemented annually under the

European Communities Act, suggests that on average, since 1998, around 9 per cent of statutory instruments originate from Brussels (Standard Note SN/IA/2888). The total volume of statutory instruments of course encompasses a wide range of instruments, including those, such as road closures, with purely local effect.

# Trouble in France's Deep South

*The city of Marseille is run by a communist trade union,  
not by the French government*

By Ian Milne

British commentators seem to have missed the significance of events in France's own "deep south". On French television news, for months on end, night after night, the impotence and incompetence of the French government in Marseille and Corsica have been graphically laid out for all to see. The feeling that Chirac was a much-weakened, discredited president, and that the rivalry between de Villepin and Sarkozy, respectively numbers one and two in the government, was more important to the political class than finding solutions to France's myriad problems, was reinforced.

France is now in the midst of a slowly accelerating crisis, whose climax is almost certainly yet to come. The legitimacy and survival of the republic itself is being seriously questioned. The 29th May "No" to the EU Constitution, and this autumn's suburban riots, are just two recent symptoms of France's existential malaise, though (as *eurofacts* has been pointing out for several years) it has been incubating for decades. The chaos in the south of France is another.

## *Unrest in Corsica*

Corsica has been a thorn in the republic's side for at least the last forty years. Low-level terrorism (in terms of actual murders) perpetrated by various competing racketeering nationalist movements on the island, has waxed and waned; Paris has tried and failed to get to grips with it. One of the three ferry companies running between Corsica and the mainland, the state-owned SNCM, grotesquely overmanned, hugely loss-making and disastrously strike-prone, became the focus last year of rivalry between the "Corsican Workers' Trade-Union", thought to be a front for nationalist movements, and the mainland CGT union, which, incredibly, resulted in Paris agreeing to a quota of jobs in the

SNCM being reserved for Corsicans on the basis of their "nationality". Since Corsica has been an integral part of the French Republic for over two hundred years, this was flagrantly discriminatory.

Last summer, the Corsican problem collided with militants of the CGT in Marseille. The CGT is run by the French Communist Party, which, unlike almost every other Communist Party on the planet, decided not to change its name after the collapse of communism. The CGT's fiefs are the state-owned monopolies like the railways, (the SNCF), and the national electricity generator and distributor (the EDF). The French government, in desperation, finally plucked up the courage to "privatise" the SNCM. The

Direct Inward Investment in France: bn		
2002	2003	2004
52	38	19

*Source: Banque de France*

employees went on strike. The line's flagship was taken over at gunpoint in Marseille by Corsican strikers and sailed towards Corsica. Paris, rightly, sent in the equivalent of the SAS by helicopter, regained control of the ship and arrested the pirates. But instead of keeping them in jail (piracy, after all, is a very serious crime) it immediately released them.

Encouraged, the strikers continued to strike, and were rewarded by the government with an offer to keep a controlling interest in the company, with a tame French private-sector operator (none other than Connex, of less-than-fond memory to users of South-East Trains in the UK) having a minority stake. The strikers refused even this; eventually, the government had to threaten to put the company into administration if their offer wasn't accepted. At the very last minute the strikers backed off, and at the time of

writing are back at work.

## *Strife in Marseille*

Meanwhile, another CGT-led strike began at the municipally-owned Marseille Transport Authority, against plans to part-privatise a new tram line. At the time of writing, Marseille (a bigger city than Birmingham or Glasgow) has been without buses and most underground trains for 46 days. Simultaneously, dockers went on strike (Marseille is still, just, France's biggest port by tonnage, though not for container traffic) against plans to privatise the port. They demanded the resignation of the port's chief executive, Eric Brassart; the government duly fired him.

Other strikes in Marseille and its region have included one by postal workers in 2004 (over pension rights) which lasted 50 days, and two CGT-led disputes at plants owned by the Swiss multinational Nestlé, one making (or rather not making) chocolate, the other at Perrier mineral waters. Nestlé wanted to sell both operations; the CGT said no and went on strike. Nestlé tried and failed to find a buyer for the chocolate plant and shut it down; the CGT went to court and forced Nestlé to re-open it. For the time being, Nestlé is stuck with both plants, but will no doubt effect an exit as soon as it can. The prospect of Nestlé, or any other multinational come to that, investing in the south of France in the next twenty years is zero. (Inward investment in France is anyway in free fall, as the table shows).

## *Economic Effects*

The economic effect on Marseille of all these disputes is devastating. Retail sales are down by thirty, forty and fifty per cent. Cruise ships are dropping the city from their itineraries. So are container-shipping lines. Ship-

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# Why belonging to a customs union doesn't pay

As a member of the EU Customs Union the UK has to impose the EU Common External Tariff (CET) - customs duties to you and me - on British imports of goods (including agricultural and food products) from countries outside the EU. In 2004, the gross amount of CET so collected by HM Customs and Excise was £2.1 billion.

Of this £2.1 billion, £1.6 billion was handed over to Brussels; £0.5 billion was retained by the Treasury - with permission from Brussels - as a handling charge.

The value of British imports of goods from outside the EU in 2004 amounted to £110 billion. The average rate of duty collected was therefore 1.95 per cent (2.1 divided by 110). This low-ish average rate masks the fact that the rate on many products, IT equipment for

example, is zero, while on others, cars for example, it is a high: ten per cent. On some agricultural products imported from outside the EU the rate is well over 100 per cent.

The value of British imports of goods from the whole world (EU and non-EU) was £249 billion in 2004. If this figure, 249, is taken as the denominator, the average rate of duty collected on all British imports of goods is only 0.8 per cent (2.1 divided by 249).

Pushing the calculation further to assess the impact of customs duties on all British imports (of goods, services, income and transfers), which totalled £465 billion in 2004, the average rate works out at less than one half of one per cent (2.1 divided by 465).

*eurofacts* has long argued that average customs duties are now so low in developed countries that they should

be abolished altogether. They also negate the *raison d'être* of the customs union of which the UK is a member. If duties were abolished British consumers would be better off because imports would be cheaper. In addition, since the costs of collection almost certainly exceed the amount collected, (three-quarters of which in any case is immediately paid over to Brussels), the collecting agency, HM Customs and Excise, could be radically slimmed-down, producing further savings. The economies of poor developing countries, which tend to have a narrow range of products to export to EU countries, often over high absolute levels of EU duty (for example on vegetables) would also benefit.

Source: *Chapter 9: UK Balance of Payments, The Pink Book 2005* [www.statistics.gov.uk](http://www.statistics.gov.uk)

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## Trouble in France's Deep South

repairing contracts and jobs are going to Genoa and Barcelona. Tourism was already suffering in any case from bad weather, high prices and the drop in purchasing power of French holidaymakers in general. The drop in economic activity is rippling up the Rhone to Lyon, France's third city, much of whose imports and exports transit via Marseille.

It's too easy for a British observer to

say that until a French government grasps the nettle of trade-union reform, as British governments did between 1979 and 1987, French unemployment will remain catastrophically high. French society and British society continue to be profoundly different. Even now, despite all the evidence to the contrary, the bulk of French people tend to look to the state to solve their problems. The CGT isn't even a

particularly extreme trade union by French standards; smaller, more radical unions, loosely associated with various anti-capitalist and anti-globalisation movements, are taking members from the historic mastodons like the CGT. But if France is to have a chance of breaking out of its downward spiral, trade-union reform is a necessary, though not sufficient, first step.

## No hope for the future, says Bundesbank

*"There is no confidence in the future, there is no confidence in the sustainability of public finances, and no confidence in the ability of policymakers to solve the problems. It*

*remains to be seen whether the grand coalition under Merkel can solve the confidence and growth crisis."*

Jurgen Stark, deputy chief of the

German Bundesbank when asked whether the new Left-Right government of Angela Merkel was up to the task of rescuing Germany from slump and self-despair.

## UK exports grow faster outside the EU

Between 1999 and 2004 all UK exports (goods, services, income and transfers) to countries outside the EU increased by 27 per cent. Over the same period, UK exports to EU-24 countries increased by 23 per cent.

Source: *Chapter 9: UK Balance of Payments, The Pink Book 2005* [www.statistics.gov.uk](http://www.statistics.gov.uk)

# A British foreign policy for tomorrow's world

*Lord Howell argues that a rejuvenated Commonwealth could promote national interests in a way that is quite beyond the grasp of the EU*

Presently, British foreign policy is not to have a British foreign policy. The Blair government continues to act as if such a thing were an anachronism.

Notwithstanding, a national British foreign policy is still what most people in this country want and expect. Fresh thinking is being developed for the day when the UK decides to join tomorrow's world. One example is contained in a speech\* given in Malta recently by Lord Howell, the Conservative foreign affairs spokesman in the House of Lords. This is a condensed version:

"The Commonwealth idea of shared values and countless exchanges at both governmental and even more at non-governmental levels, remains as valid as ever, but maybe the Commonwealth framework needs re-assembling on a more ambitious scale, and to build more bridges to other like-minded non-Commonwealth nations, so as to meet entirely new needs, not met elsewhere, in the transformed global conditions now prevailing.

I raise this thought because - and I will be quite blunt - the existing twentieth century institutions of the globe - for example the UN, the EU, Nato and others - seem unable to grapple very effectively with our twenty first century issues. And I wonder whether the wonderful Commonwealth network, with all its subtle flexibility, might not fill a bigger role instead.

Yesterday, ten years ago, we still saw the USA as the one dominant and, so we thought, invulnerable superpower. Our hopes for world peace rested, perhaps too heavily, on the United Nations. Yesterday we thought a united Europe could play a kind of bloc role in counter-balancing US might and protecting its member states' interests.

Now we see that these perceptions were either wrong or too small. The new security challenges are totally global. Issues like terror, energy security, migration, inter-faith tensions, disease control, climatic upheavals and disasters - all demand a

world-wide network of approaches. Meanwhile the centre of economic gravity is shifting fast - away from the old West and into Asia, with the two super-giants, China and India, at the heart of the new order.

Being part of the European club may be useful, but it is not frankly going to help us much in these new conditions. We need something more to keep us connected, refreshed, in touch - and also safe.

## Old Nostrum

The Commonwealth has the kind of spread we need for these new purposes, but it is not wide enough. So Lesson One for me is that we drop the old nostrum about confining the Commonwealth and its activities and contacts to English speakers. Actually this has occurred already. English is the language of the information age anyway, the necessary universal second tongue. First languages are getting more diverse, and that is welcome. America speaks almost as much Spanish as English. Old dialects and their cultures are revived or preserved. Within the UK, my own country, over 300 languages are regularly spoken and the Metropolitan Police alone prepare advice on emergencies in over one hundred languages.

The exclusions from this wider network should be the vendetta countries, the ones that hate America on principle, hate the advanced world on principle, are still submerged in anti-colonial bitterness and prejudice, do not really care a jot about poverty reduction or the place of women or the dispossessed and do not want to join or strengthen the international system of trade and security.

The new 'friends' should be the nations who have shed all this baggage, who see trade, entrepreneurialism and innovation as their guiding stars, who have no time for protectionist blocs and practices, who do not believe (as too many still

do) that development is all a question of bigger aid donations, and who are prepared to do their full bit to preserve peace and resolve conflicts in a way the UN seems incapable of doing. These are our friends - if you like 'the good guys' in today's world order - sharing precisely the principles and aspirations of our Commonwealth. We have to get 'the good guys' together in today's super-dangerous world, and the Commonwealth should not be shy of playing a central part in doing that.

So my first injunction to Commonwealth leaders is to look around outside, to open fresh dialogue with some selected, powerful countries, as well as smaller nations, who share Commonwealth ideals and approaches. One obvious major candidate is Japan, a nation reviving economically, democratic, increasingly dedicated to helping world stability and peace, committed to open trade, albeit with a few shortcomings (but then we all have those) and seeking a relationship with the US which is supportive without being compliant or subservient - just what the world needs.

But the reach of my Commonwealth of the future does not stop there. Of course the Commonwealth already includes one of the fast awakening giants, India, as well as Australia, New Zealand, Singapore, Malaysia. Thailand should be invited to become, as it were, a correspondent or associate, and we would need to include in this wider network some good European members, too. Poland and Norway would also be good members of the team, and Turkey, too - all instinctively on the side of innovation, open trade, strong Atlantic links and doing their utmost for peace and stability (although Turkey has many burdens on its doorstep). Then there is Russia, still feeling humiliated and much misunderstood, I know. But

**Continued on P.10**

# LETTERS

Tel: 08456 12 12 65 Fax: 08456 12 12 75 email: [eurofacts@junepress.com](mailto:eurofacts@junepress.com)

## Mirage of EU-lite

Dear Sir,

I am surprised at the assertion in *eurofacts* (2nd December) that the European Commission would readily offer us the return of any powers surrendered to the EU.

Less than a year ago, Michael Howard was told firmly that repatriating asylum and immigration policies would be contrary to membership commitments.

The Commission is a guardian of these commitments, alongside the European Court. The latter has ruled that there has been a permanent limitation of national sovereign rights (Case 6/64).

It would point out that member states were bound to accept its judgements, including the obligation to do nothing that jeopardised the achievement of 'ever closer union' politically. It would therefore be illegal for our 'EU partners' to even discuss the return of powers with us. (See Treaty of Nice, articles I.3, II.10).

Sadly, promoting the mirage of 'EU-

lite' through repatriation only diverts effort away from regaining our independence through withdrawal.

BRIAN MOONEY  
London

## The Case for Unity

Dear Sir,

John Rennie Stewardson is absolutely right to point out the ludicrous situation of having 38 anti-EU groups all putting out similar messages and struggling for money and 90 per cent of the public have never even heard of them. Its small wonder we have not made more progress.

There should be, as John suggests, an alliance into one group with one name and one badge or symbol giving it authority and power to put the case for a free Europe. If possible the group should spread across Europe with independent branches in each country.

We should not allow small differences in policy or large egos to stand in the way of unity otherwise we will never win this critical battle for our freedom and we will never be

forgiven.

JIM OGILVIE  
Dorset

## Time to Act

Dear Sir,

The government's recent regionalisation of the Fire Service to be followed by the Police and then Local Government is an EU project. None of the politicians admit this nor do the newspaper proprietors or multinational businessmen whose interest it serves. The rank and file must act. I suggest that every reader ensures that a copy of Lindsay Jenkins' book "Disappearing Britain - The EU and the Death of Local Government" appears in their local library. This can be achieved by either donating a copy or writing to the Head of the Local Authority Library Service asking them to purchase a copy/copies. A letter should then go to the local paper drawing attention to the book. It's time to stop talking about the problem. Please do something about it.

BRYAN SMALLEY  
Hertfordshire

Continued from P.9

## A British foreign policy for tomorrow's world

the day could come when a renovated Russia, shedding all its past complexes, could work in common with the Commonwealth and play a truly supportive part in its activities. Nor would I rule out some Latin-American candidates in due course.

At the other end of the size scale I would like to see this Commonwealth Mark Two develop a particularly supportive and friendly relationship with the smallest nations in a dangerous world. I am also full of admiration for the tremendous vigour and courage of states like Slovenia in the Balkans and the amazing Baltic three, including dynamic Estonia which has shown that it is not afraid to set its own path and add its own valuable voice to the international community, rather than be lost in big

bloc politics.

Weave this kind of wider alliance together, around the core of the existing Commonwealth institutions and membership, and one begins to have a serious force of real weight, not just moral but economic and military, whose opinions would count decisively in the councils of the world. There is a vast wealth here of peace-keeping experience, as well as of sheer economic power, technological power and trading strength. Those who say that such a wider grouping would all be too disparate geographically forget that inside a network it needs only one click on a computer keyboard nowadays to bypass all physical separation and bring allies into the same room.

The implications of all this for the foreign policy strategy of my own

country are profound. We should now abandon the misguided belief that our foreign policy can be conducted, or our interests protected and promoted, through our European Union partners collectively. Their aims are not ours, their weight in the world is not sufficient and their relations with the United States are hopelessly compromised. Besides, key world trade and investment issues are now truly globalised and best handled through the WTO forum rather than through Brussels or Washington, or raucous exchanges between the two."

*\*Delivered to the Strickland Foundation in Malta on 13th October 2005 by the Rt Hon Lord Howell of Guildford.*

# MEETINGS

## Tough Talking From The Right

020 8691 7495

Thursday **12th January 2006**, 7.00 pm

“Reclaiming Our Country”

**Nigel Farage MEP, UKIP**

Questions and Answers session

PUBLIC MEETING

AND BUFFET

Function Room, Counting House, 50  
Cornhill, London EC3

**Admission £17.50**

(Includes a glass of wine)

Tickets: Tough Talking From The Right,  
PO Box 29208, London SE8 3ZU

**Gresham College**

020 7831 0575

Tuesday **24th January 2006**, 6.00 pm

“The referendum: direct democracy and  
the Constitution”

**Professor Vernon Bogdanor CBE  
FBA, Gresham Professor of Law**

In 1975 we held our first and - so far -  
only nationwide referendum. It was on  
whether we should remain in the  
European Community, as it then was.  
Until then, the referendum was widely  
regarded as unconstitutional. Yet a num-  
ber of non-nation-wide referendums  
have since been held - mainly on devo-  
lution - and more are promised. What  
are the advantages and disadvantages?  
Does it have any role at all in a parlia-  
mentary system of government? What are  
likely to be the constitutional conse-  
quences of the increasing resort to the  
referendum device?

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**United Kingdom Independence Party**

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## DIARY OF EVENTS

**2005**

UK Parliamentary Recess Starts **21st December**

**2006**

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

UK Parliamentary Restart- Lords **4th January**

UK Parliamentary Restart - Commons **9th January**

## SELECT COMMITTEES

**House of Lords**

020-7219 3000

Tuesday **20th December 2005**, 11.00 am  
Evidence will be heard on *Water Management* from;

(a) Dame Yve Buckland, National Chair,  
Mrs Teresa Evans, Chief Operating  
Officer, and Dr Richard Sturt, Regional  
Chair (Southern), Consumer Council for  
Water.

Tuesday **10th January 2006**, 3.40 pm  
Evidence will be heard on *Economic Affairs* from the Rt Hon Lord Falconer of  
Thoroton, Secretary of State for  
Constitutional Affairs and Lord  
Chancellor.

Tuesday **17th January 2006**, 10.35 am  
Evidence will be heard on *A European Strategy for Jobs and Growth - The Lisbon Agenda* from;  
(a) representatives from the TUC; and  
(b) Professor Maria Rodrigues, Professor  
of Economics at ISCTE and Special  
Advisor to the European Commission for  
the Lisbon Agenda.

Tuesday **17th January 2006**, 4.15 pm  
Evidence will be heard on *The European Union UK Presidency* from Douglas  
Alexander MP, Minister for Europe.

Wednesday **18th January 2006**, 4.15 pm  
Evidence will be heard on *War Making Powers* from;  
(a) General Sir Rupert Smith, Admiral  
Lord Boyce, Field Marshal Lord  
Brammell, Field Marshall Lord Vincent of  
Coleshill, Air Marshall Lord Garden; and  
(b) Professor Sir Lawrence Freedman.

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

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