The European Journal
February, 2003

Euro-Trainspotting

by Giles Conway-Gordon

Toot, toot! Peep, peep! All aboard! As a referendum on UK participation in the euro looms, we will again hear a crescendo of voices from politicians and officials claiming once more that the eurotrain is leaving the station, that the latest model has an exciting new engine, the euro, and that the UK, as ever, is in danger of missing the most important ride of its life.

Observations over the last few decades make it clear that there are in fact three models of the euro-train. The first two are the political and the economic models of the marque. The political model is the oldest. The prototype of the political model, which appeared shortly after the last World War (in the form of the European Coal and Steel Community), was built to a predominantly French design by Jean Monnet.

The inspiration for this prototype was the perceived need for a structure of collaborative political institutions between the European powers in the aftermath of the war. Above all the new organization should so solidly tie the participants to the principles and structures of democracy and liberty that any re-emergence of the authoritarianism that had led to the horrors of the War would be impossible.

The ECSC prototype was succeeded by the 'Treaty of Rome' class in 1957; the 'Single European Act' class in 1986; and the most recent and powerful class, the 'Maastricht', in 1992. The euro, a new engine for the political model of the euro-train, was introduced in 1999 and entered general service, as we know, in January last year.

The distinctive feature of the political model of the euro-train is that, ever since entering service, it has run steadily in reverse. From the start, the model has travelled diametrically away from its advertised democratic destination and is now clearly headed for a terminus which -icreasingly resembles the centrally-controlled political structure which characterized the former USSR, complete with government by fiat, a subservient parliament and an all-powerful, venal and unaccountable nomenklatura. Curiously, even the results of the elections to the European Parliament bear a strong practical resemblance to the sham elections held in totalitarian states; a turnout of 30% would not appear to deliver much more democratic authority than one of 99.9%.

In fact, as the years have passed and the Treaty of Rome has been succeeded by the Single European Act and the Maastricht Treaty, each new step, so far from improving and increasing democratic accountability in Europe, has reduced it. In a process which can fairly be described as power-laundering, the fundamental democratic rights of Europe's electorates have been steadily annexed by the European Commission. In exchange Europe's citizens have been fobbed off with the travesty of democracy which the present structure in Brussels represents. The current proposals for resolving the political deadlock in Brussels by eliminating the national veto and imposing majority rule are simply a natural further step in this process and another burst on the accelerator. So with each step the political model of the eurotrain has picked up speed in its journey towards its anti-democratic destination.

The economic model of the euro-train had as its laudable original destination the creation of a flexible, dynamic economy of 300 million consumers through the free movement of people, goods and capital throughout the member countries. The model got off to a very promising start as a free-trade area in the shape of the Common Market. The abolition of the vast panoply of protectionist barriers and tariffs and restrictions and controls which had hamstrung trade, investment and employment in Europe after the War led directly to the massive beneficial growth in intra-European trade, investment and employment which started in the sixties. In the eighties, however, the economic model started to slow. The Brussels' staff, perhaps fearful that the great success of the Common Market, if left unchecked, would expose their doubtful utility and leave them without jobs, began to introduce the uncontrolled flood of 'harmonizing' regulations which are now stifling businesses and creating unemployment across the Eurozone. What was, in the Common Market, a liberating commitment to a true level playing field, encouraging free competition and the efficient flow of capital throughout Europe, has been replaced by a regime not of harmony, as is claimed (you have to have at least two voices for harmony), but of a rigid uniformity which is very effectively eradicating jobs and investment. Insanely enough, the conference convened last year to address the need 'to reduce red tape, improve flexibility and make Europe the world's most dynamic economy' proposed to achieve this by introducing – what else? – more regulations.

Unsurprisingly, unemployment in the EMU area is now rising back towards 9 per cent. So the economic model too is now, at gathering speed, moving backwards.

But it is the third model of the eurotrain which is of most interest and significance to the present discussion. This is the model which attracts the keenest attention of our political and official masters and which they are referring to when they deplore the UK's reluctance to commit itself to Europe and the euro. This is the model of the euro-train they really don't want (us) to miss. The third model is the model reserved exclusively for the directors and staff of the European Commission, though senior politicians and officials of the member countries use it very regularly as guests.

The third model is the 'employee conditions and benefits' model or the 'perks' model; in short it's the great Brussels gravy train. Partly, of course, the comforts of the 'Employees' euro-train are straightforwardly financial: very generous salaries, which are subject to a preferential tax rate of 15 per cent (and boosted by the dubious transfer calculations recently uncovered), generous pensions and benefits and, not least, a regime of wide-ranging expense allowances which, though also extremely generous, are nonetheless routinely and massively fiddled.

The real benefit, though, is the incomparable job satisfaction and career opportunities which come with the exercise of virtually uncontrolled political power, free from any significant democratic accountability. For the Brussels' staff, of course, each European treaty has naturally served to justify a fresh bout of power-laundering, as they gain authority to regulate new areas of the lives of Europe's citizens. These rights, the infamous *'droits acquis'* (none of them subject to any significant democratic process, whether in origination, legislative review or ratification) now cover 85,000 pages of text.

The principle of subsidiarity, fundamental to the operation of any democracy worth the name and particularly relevant in a structure like the European Union, was the subject of brief and positive public discussion about ten years ago. Thereafter it was rapidly suppressed, shouldered aside by the adoption of the new principle of 'harmonisation', the perfect justification for an endless program of oppressive bureaucratic interference. Small wonder that the Commission staff (17,000 of them at last count, when the entire British Raj was run with fewer than 1,500) fight tooth and nail against any attempt to control the gravy train and bring their activities under genuine democratic control or subject the Commission's finances to proper auditing. According to the most recent report of the EU's Court of Auditors, for the eighth year in a row only 5 per cent of the EU's expenditure could be certified as legal and regular.

But who can question, too, the corrupting influence the gravy train exerts on the domestic politics of the UK and other member and candidate countries? Any senior politician whose domestic career looks precarious has only to cast an eye towards Brussels to see the glorious vista of an exciting, more rewarding and more congenial political reincarnation. For the *enarques* in Paris, of course, Brussels has long been simply a conveniently close offshore affiliate of the Tresor and the Quai d'Orsay. But, to cite only recent examples, the Brussels' siren song has found a ready ear in Ireland, where the Irish vote against the Nice Treaty in June last year was instantly deplored by Bertie Ahern and, outrageously, has now been re-run under new regulations. It was the same story in Denmark. Even in Switzerland there was no shortage of would-be eurocrats to condemn last year's popular vote against a closer relationship with the EU.

The problem is very clear and very simple: it is that the senior politicians who are responsible for guiding their countries in the momentous decision to surrender or reduce democratic control of their own affairs in favour of 'Europe' have a strong personal interest in cosying up to the Commission. You are a senior politician facing a serious hiccup in your domestic political career. What better way of demonstrating your europhile credentials to the Commission and smoothing the path to a possible euro-satrapy than to indulge in a vociferous bout of pro-European cheerleading. Do these men really believe that an extremely dubious economic advantage (see not only the 'No' campaign but Martin Wolf 's recent critique of the economic argument for UK entry into the euro in the *FT*) really justifies the final surrender of democracy in the UK? It is difficult to believe that some element of personal ambition linked to Brussels is wholly absent from their calculations.

Right now, of course, you are Tony Blair, running out of political road at home with Gordon Brown breathing down your neck and the scales falling rapidly from the electorate's eyes. If you could just succeed in pulling a final, massive confidence trick on the British public and deliver the UK into the EMU; just imagine how grateful the eurocrats would be to nobble the last major independent European democracy and establish a pan-European command economy. It should put him firmly ahead of the field in the running for next President of the Commission.

So, when the cries of *"All aboard!"* start echoing, the glossy brochure for the once-in-a-life-time, not-to-be-missed, euro-trip emerges from Numbers 10 and 11, Downing Street and the official travel agents start their hard sell, we must find out exactly which train they have in mind and where it is really going. One thing we can be sure of: there will be no return ticket.

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