

THE UNITED KINGDOM AND THE FUTURE OF EUROPE

A Thesis
submitted to the Faculty of
The School of Continuing Education
and of
The Graduate School of Arts and Sciences
in partial fulfillment of the requirements for the
degree of
Master of Arts
in Liberal Studies

By

Donald Freudenthal, B.A.

Georgetown University
Washington, D.C.
July 22, 2009

THE UNITED KINGDOM AND THE FUTURE OF EUROPE

Donald Freudenthal, B.A.

Mentor: William Douglas, Ph. D.

ABSTRACT

I. Problem

As Europe has moved progressively toward greater political integration the European Union has repeatedly had its effort defeated in referendums. An ever increasing percentage of the public seems to be reluctant to abandon the control they have to the European Union. Are there factors that the people from across Europe have in common that can be used to explain this Euroscepticism?

II. Methodology

As one of the most skeptical people in Europe the British are part of the leading edge of the resistance to the increased political integration. By establishing a set of criteria from values the British people used to describe themselves, a baseline identity for British was established. Using the framework established by the British a parallel identity was established for the French. Since France has been leading the movement toward great federalism in the European Union, the identity was used as a contrast to the British. We

then used the contrast in an examination of the actions of the two governments in three major debates in the history of the European Union.

III. Results

The application of the comparative identity systems to the debates surrounding the Common Agriculture Policy, the Economic and Monetary Union and the European Constitution showed that there was a disconnect between the leaders of the European Union and the people of Europe. Even on those occasions when the public was afforded the opportunity to express their opinion, the leadership dismissed them. The identity system values were accurate when used to explain the behavior of the public in the referendum, or to explain the devotion to specific policies.

VI. Conclusion

The political integration of Europe is viewed as a threat to the identity and values of the people. The people identify with the individual nation state more than with Europe and as a result there are limits to the extent that political integration can progress in Europe.

CONTENTS

ABSTRACT		ii
CHAPTER 1.	THE UNITED KINGDOM AND EUROPE	1
CHAPTER 2.	THE EUROPEAN BUDGET DEBATE	21
CHAPTER 3.	MONETARY POLICY	45
CHAPTER 4.	THE EUROPEAN CONSTITUTION	74
CHAPTER 5.	CONCLUSION	90
BIBLIOGRAPHY		101

CHAPTER 1

THE UNITED KINGDOM AND EUROPE

In the 1930's the popular English actor and composer Noel Coward wrote a song entitled Mad Dogs and Englishmen. It provides a uniquely British look at life in the British Empire:

The natives grieve when the white men leave their huts.
Because they're obviously, absolutely nuts -
Mad dogs and Englishmen go out in the midday sun.
The Japanese don't care to, the Chinese wouldn't dare to,
Hindus and Argentines sleep firmly from twelve to one,
But the Englishmen detest a siesta,
In the Philippines there are lovely screens, to protect you from the glare,
In the Malay states there are hats like plates, which the Britishers won't wear,
At twelve noon the natives swoon, and no more work is done –
But Mad Dogs and Englishmen go out in the midday sun.¹

In the hundreds of years of its history there have been many characters, both fictitious and real, that personified an image of the British people. In the modern era none stands out more than the former Prime Minister of Great Britain, Sir Winston Churchill. On June 4, 1940 the Prime Minister stood before the House of Commons to address the military situation in the early stages of World War II. It was the beginning of Britain's darkest days. France was being overrun and the British Expeditionary Force had been evacuated from Dunkirk. In this speech he described the courage of the Royal Air Force by reaching

¹ Noel Coward, *Mad Dogs and Englishman*, http://www.traditionalmusic.co.uk/folk-song-lyrics/Mad_Dogs_and_Englishmen.htm (accessed September 24, 2008).

back to the days of the Knights of the Round Table and saying “Every morn brought forth a noble chance and every chance brought forth a noble knight.”² It was later in this speech that Winston Churchill famously told his nation that “we shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets, we shall fight in the hills; we shall never surrender.”³ Winston Churchill became the iconic representation of the British never-give-in attitude. After the war he continued his efforts to secure the future of his beloved nation in a new world he had helped to create. On March 5, 1946 in a speech in Fulton, Missouri he told the crowd not to “underrate the abiding power of the British Empire” and warned, “an iron curtain has descended across the Continent.”⁴ At the height of the British Empire there was a popular belief that the sun never set on Britain’s colonial holdings. Factually it was absolutely correct. As the sun set in London it was rising in North America. A setting sun in North America would bring in a new day in the Asian outposts of the British Empire. This pattern would repeat itself again in India until the sun again rose in London. London ruled an empire that went around the world. It was an empire the likes of which the world has rarely seen.

² Winston Churchill, address to the House of Commons, London, June 4, 1940.

³ Churchill, June 4, 1940.

⁴ Winston Churchill, *Sinews of Peace*, address to Westminster College, Fulton, Missouri, March 5, 1946.

The empire is gone. The colonies are independent. Britannia no longer rules the waves. Today all that is left of the British Empire is a loose association of fifty-one former colonial holdings known as The Commonwealth of Nations. It took a unique breed of people to create and govern it. To this date the British are still a proud people able to see themselves, and world in which they live, in different way. They have created a stable successful democracy that has lasted hundreds of years, yet are renowned around the world as some of the worst soccer hooligans. The British have brought the world Charles Dickens and Monty Python. They are a people full of contradictions in a world full of contradictions. Even Winston Churchill demonstrated these contradictions. On September 19, 1946 he told an audience that there would be no limit to the happiness of the people if Europe were united. He continued to tell them that they should build a United States of Europe and it must be lead by a “partnership between France and Germany.”⁵ Churchill then concluded: “In all this urgent work, France and Germany must take the lead together. Great Britain, the British Commonwealth of Nations, mighty America and I trust Soviet Russia – for then all would be well – must be the friends and sponsors of the new Europe and must champion its right to live and shine.”⁶ Less than a year after the end of World War II Winston Churchill proposed that the bitterest of

⁵ Winston Churchill, address to University of Zurich, Zurich, Switzerland, September 19, 1946.

⁶ Churchill, September 19, 1946.

enemies unite. A United States of Europe led by France and Germany with Great Britain looking on from across the channel being advocated by arguably the greatest British statesman of the twentieth century.

The history of European integration from Winston Churchill's speech up until today is both long and complicated. The European Union traces its history back to the three original organizations that started the process. The European Coal and Steel Community (ECSC) came into existence with the signing of the Treaty of Paris on July 23, 1952. France, Germany, Italy, Belgium, Luxemburg and the Netherlands established the ECSC in order to coordinate their domestic coal and steel supplies. May of 1956 found the six nations of the Europe Coal and Steel Community beginning negotiations on two new agreements to increase cooperation in Europe. Less than a year later these nations signed an agreement, known as the Treaty of Rome, which created the European Atomic Energy Community (EURATOM) and the European Economic Community (EEC). Establishing a coordinated approach to atomic energy and equitable distribution of nuclear fuel was the goal of the European Atomic Energy Community (EURATOM). The European Economic Community (EEC) came into existence to help break down the economic barriers between these nations in the hopes of establishing a single or common market. Britain, along with Denmark, applied for membership in the EEC on August 10, 1961. Negotiations continued for well over a year before France, under President

Charles de Gaulle, vetoed Britain's application in 1963. General de Gaulle explained that he hoped that Britain would transform her system sufficiently to enter the common market.⁷ This was not the first time, nor would it be the last, that France and Britain found themselves clashing on issues of European integration. Britain reapplied for membership in 1967 and once again President de Gaulle vetoed the application.⁸

Among the reason used by President de Gaulle as an explanation were that the British were more "Atlanticist" and not sufficiently "European" to be admitted into the Common Market. Despite the fact that government of Britain had consistently worked toward becoming a more integral part of Europe, public opinion did not always agree with the government. When the British first applied for membership in the European Economic Community (EEC) a survey of public opinion showed that only 47 percent of British citizens had a positive opinion European Unification. In contrast 70 percent of the French and 67 percent of the Italians had a positive opinion of European Unification.⁹ With Britain's second attempt at membership in 1967 public opinion in Britain was positive toward European with 63 percent having a positive opinion. It was still

⁷ Gen. De Gaulle's Blow to Brussels Talk, *The Times*, London, January 15, 1963.

⁸ Alistair Jones, *Britain and the European Union*, (Edinburgh: Edinburgh University Press, 2007), 14.

⁹ Commission of the European Communities, *Euro-Barometer 12*, (Brussels, December 1979).

some distance behind opinions in both France and Italy. The French opinion of European Unification was 72 percent positive and the Italians were found to be 68 percent positive.¹⁰ The British application for membership in the Common Market was finally accepted and the British joined the European Economic Community on January 1, 1973. However, public opinion in Britain had taken a dramatic turn. Only 37 percent of the British public had a positive opinion. Public opinion in France had remained strong with 68 percent having a positive opinion and the Italians having a 70 percent positive opinion. Denmark, Ireland and Norway applied to join the Common Market at the same time the British did. Only Denmark and Ireland became members on January 1, 1973. All three had referendums to approve joining the Common Market. In Denmark and Ireland the vote had been in favor of membership. Norway voted against membership 54 percent to 46 percent. As the result of continuing doubts about Britain's new connection to Europe the question was put to a referendum in 1975. The vote was, by a large margin, in favor of keep Britain in the EEC. Interestingly at the same time the referendum was being held in Britain the Euro-Barometer poll indicated that only 50 percent of the public had a positive view of European Unification.¹¹ Catharina Sorensen suggested that despite

¹⁰ Commission of the European Communities, *Euro-Barometer 12*, (Brussels, December 1979).

¹¹ Ibid.

the large majority in favor of continued membership, the British did not feel they were a natural part of the Common Market.¹² Another explanation of the vote came from Alistair Jones who said the referendum “had little to do with the EEC, and everything to do with keeping the Labor Party in office.”¹³ In this light we can understand why a nation that has always considered itself an island unto itself would vote for their membership continue, yet remain very skeptical about becoming more integrated with Europe. After years without advances in the cause of integration the Single Europe Act (SEA) was signed in February 1986. The treaty further advanced the economic ties the bound the Common Market together. Once again the British public was less than enthusiastic about European integration. Only 37 percent of the British public supported the idea that membership was a good thing. That’s opposed to France with 69 percent and Italy with 73 percent that thought it was a good idea.¹⁴ Signing the Maastricht Treaty (Treaty on European Union) in 1992 was no different. Only 38 percent of the British public supported the treaty. In Italy 85 percent of the public supported the treaty and the French supported it at a rate of 55 percent. The European Constitution, signed in June 2004, paralleled this data with

¹² Catharina Sorensen, “Danish and British Popular Euroscepticism Compared”(DIIS Working Paper), Danish Institute for International Studies, 2004), 17.

¹³ Jones, *Britain and the European Union*, 16.

¹⁴ Commission of the European Communities, *Euro-Barometer 25*, (Brussels, December 1986).

support in Britain at 48 percent, France at 70 percent and Italy at 73 percent.¹⁵ Throughout the history of European integration the opinion of the British public has been very skeptical of the becoming more connected to Europe. With a few consistent exceptions the residents of continental Europe have not shared this feeling of concern about further integration. What makes the British public so different? Why is there such a large disconnect between governments that continually seeks greater involvement in Europe and a people that don't see any benefit from it? We live in a different world then Winston Churchill's generation. The modern British citizen is no longer part of the most powerful state in the world. They are an island nation that is trying to decide how much a part of Europe they want to be. After over nine hundred years of relative stability are they still trying to find their place in the Europe or is the Europe trying to adapt itself to the values exemplified by Britain? The British are a unique people.

Today enemies are not measured by the size of their navy. They could be our neighbors. They could be person sitting next to us on the plane or in the subway. September 11, 2001 forever changed America. On July 7, 2005 four bombs exploded in London killing fifty-two people. On that day the British also changed forever. Shortly after the attacks in London a poll was jointly conducted by YouGov and the Daily Telegraph. The purpose of the poll was to

¹⁵ European Commission, *Euro-Barometer 62*, (Brussels, December 2005) 150.

define what it meant to the public to be British. The top twenty-five answers in this survey can be broken down into four basic groups. The first category would be characteristics of the British people and the freedoms that they enjoyed. The “right to say what they think” with 91 percent and “British people’s sense of fairness and fair play” with 90 percent of people believing they are important characteristics that define the British people. The second category would be the historical events that have defined who the British people are. At the top of this list were “Britain defiance of Nazi Germany in 1940” with 87 percent and “The fact that Britain has not been invaded since 1066” with 68 percent thinking these are important factors defining the Britishness of the people. Characteristics or institution of the British government would be the third category from the list. The top two examples of this category would be “British Justice” with 86 percent and “Our parliamentary democracy” with 84 percent of people feeling these are important factors in the definition. Of the top ten definitions found on the list just under one-third (33 percent) fall into each of the first three categories that has been mentioned. The fourth, and last, category includes the features of the land and of the society that have been connected to the public definition of what it means to be British. Examples of this category would be “The landscape of Britain” with 88 percent and “The achievement of British scientists and engineers” with 89 percent of the people that felt these

YouGov / Daily Telegraph Survey Results¹⁶

YouGov questioned 3505 adults aged 18+ throughout Britain online between 20th and 22nd July 2005. The results have been weighted to the profile of all adults.

Below is a list of phrases which might be used to describe or define Britain and what it is to be British.

For each one, please indicate how important you think that word or phrase is in defining "Britishness".

	Very Important	Fairly Important	Not Very Important	Not at all Important
	%	%	%	%
British people's right to say what they think	61	30	7	1
Britain's defiance of Nazi Germany in 1940	58	28	8	3
British people's sense of fairness and fair play	54	36	7	1
The landscape of Britain	53	35	9	2
The achievements of Britain's scientists and engineers	52	37	8	2
British justice	51	35	10	3
Our parliamentary democracy	49	35	11	3
People's politeness and consideration towards one another	47	39	10	3
Having a strong economy	42	39	13	3
The Royal Navy	42	37	15	4
Their tolerance of other people and other people's ideas	41	40	13	4
The fact that Britain has not been invaded since 1066	41	27	17	12
The British people's stoicism – their ability to "take it"	40	39	15	3
The Monarchy	38	31	15	15
Britain's role in the world today	38	43	14	4
The House of Commons	37	41	15	5
The Common Law	34	41	18	4
The fact that Britain has not been divided by civil war since the 17 th Century	33	30	24	10
'Land of Hope and Glory'	31	29	23	15
The fact that Britain consists of three countries: England Scotland and Wales	30	30	26	12
'God Save the Queen'	29	28	22	19
The Battles of Trafalgar and Waterloo	28	37	23	10
The BBC	27	38	21	11
Pubs	27	36	25	10
The fact that Britain once had a great Empire	25	28	27	17
William Shakespeare	24	38	26	10
Driving on the left	24	27	29	17
Our weather	23	34	31	11
The fact that we don't have to carry an identity card	23	17	32	25
Double-decker buses	20	30	33	15
Red telephone boxes	19	30	32	17
The Church of England	17	28	29	23
Cricket	16	29	30	22
The motorway network	12	26	37	23
The quality of Britain's restaurants	9	32	40	16
Britain's membership of the European Union	9	22	32	32
Warm British beer	8	15	38	35

¹⁶ YouGov, "Britishness," *The Daily Telegraph* (London), http://www.yougov.co.uk/extranets/ygarchives/content/pdf/TEL050101032_1.pdf (accessed September 26, 2008).

defined “Britishness.” Items such as these are not unique to any nation. For the purpose of our discussion we will only focus on the first three categories. Freedom, history and the government can be used to look at the reason people have the opinions they do. These features of the land or society do not apply to that discussion.

In July 2007 Green Paper entitled The Governance of Britain was presented to Parliament by Prime Minister Gordon Brown’s government. One of the most discussed issues covered in the Green Paper has been the section seeking to define “Our Common British Values.” A vigorous debate had started in the media seeking the answer to the question of what it meant to be British. On July 27, 2007 the Daily Telegraph published a list entitled Ten Core Values of the British Identity.¹⁷ They were in order:

- I. The rule of Law.
- II. The sovereignty of the Crown in Parliament.
- III. The pluralist state.
- IV. Personal freedom.
- V. Private property.
- VI. Institutions.
- VII. The family.
- VIII. History.
- IX. The English-speaking world.
- X. The British character.

¹⁷ “Ten Core Values of the British Identity,” *Telegraph Media Group (London)*, <http://www.telegraph.co.uk/opinion/main.jhtml?xml=/opinion/2005/07/27/dl2701.xml> (accessed September 26, 2008).

These core values reflect many of the same ideas that have already been found in the YouGov survey. Top of the Core Values are the characteristics or institution of the British Government. Under the “rule of law” the Telegraph lists the statement that “No one is above the law – not even the government”.¹⁸ An interesting part of the definition of “the sovereignty of the Crown in Parliament” was that “there is no appeal to any higher jurisdiction. Spiritual or temporal.” The “pluralist state” makes the point that “equality before that law implies that no one should be treated different on the basis of belonging to a particular group.”

Freedoms were, once again, clearly an important item in the Telegraph’s core values. With the core value of “Personal freedom” the explanation listed was that “there should be a presumption, always and everywhere, against state coercion.” A second freedom, or right, that was part of the core values was private property. The definition used by the Telegraph is worth reading: “Freedom must include the freedom to buy and sell without fear of confiscation, to transfer ownership, to sign contracts and have them enforced. Britain was quicker than most countries to recognize this and became, in consequence, one of the happiest and most prosperous nations on earth.”¹⁹ Throughout its history

¹⁸ “Ten Core Values of the British Identity,” *Telegraph Media Group (London)*, <http://www.telegraph.co.uk/opinion/main.jhtml?xml=/opinion/2005/07/27/dl2701.xml> (accessed September 26, 2008).

¹⁹ *Ibid.*

Britain has been a nation of merchants. Its expansion was fueled by a need for new markets. The British East India Company, the Hudson Bay Company, the Virginia Company all participated in, and often financed, the expansion of the British Empire. Clearly commerce and the rights associated with it are still an important part of who the British have become. Number eight on the list of Core Values is “History.” History, the Telegraph noted, was a “stupendous series of national achievements” that children should be taught. Clearly the British people are a part of its history and its history is a part of its people. The YouGov survey listed five (5) different historical events that defined Britishness for the people that took part in it. These events covered a time period of almost one thousand years. The last item in the Telegraph’s list was simply referred to as “The British Character” and was described as “stubborn, stoical, indignant at injustice.” The definition continued: “‘The Saxons’, wrote Kipling, ‘never means anything seriously until he talks about justice and right.’”

The United Kingdom has been one of the most Eurosceptic nations in Europe. Across the English Channel lies France, one of the biggest proponents of the increased integration of Europe. Using those same basic categories can we construct a model of a comparative value system for the French? Under the category of Freedom / Character we will have to accept the basic premise that same sub-categories will not work for a second national identity. For the French the one of the strongest cornerstones of the French identity is their

culture. As Europe has moved toward greater integration at all levels of business and government, there has been one clear and resounding message from the French when it comes to the issue of culture. The message is 'hands off'! From European Union treaties to talks at the World Trade Organization the French have championed the concept of a cultural exception. The cultural exception allows a government to support and protect domestic culture from foreign competition without any concern for potential violations of the free trade agreements. "In France, the idea that culture is precious and fragile and so needs careful protection goes unchallenged" noted *The Economist*.²⁰ *Time* magazine noted that "this is a country where promoting culture influence has been national policy for centuries."²¹ In a November 2005 article the *New York Times* noted; "The concept of French identity remains rooted deep in the country's centuries-old culture" and "Put simply, being French, for many people, remains a baguette and beret affair."²² The connection between being French, its food and the rural countryside is very strong. "Farming looms large in the French tradition, from its terroir-based cuisine to its flourishing local markets"

²⁰ "Still Defended; The French exception," *The Economist*, July 19, 2003, 40.

²¹ Donald Morrison, "The Death of French Culture," *Time*, November 21, 2007, <http://www.time.com/time/magazine/article/0,9171,1686532,00.html> (accessed February 26, 2009).

²² Craig S. Smith, "What makes Someone French?," *New York Times*, November 11, 2005, http://www.nytimes.com/2005/11/11/international/europe/11france.html?_r=1&pagewanted=all (accessed February 26, 2009).

noted *The Economist*.²³ Clearly in order to understand what a Frenchman does, or believes, we must take into account the cultural view and the impact it might have.

In the United States phrases such as “We the People”, “all men are created equal” and “that government of the people, by the people, for the people, shall not perish from the earth” define what this nation means to its citizens. There is a phrase that corresponds to that in France. “Liberté, égalité, fraternité” translated into English it means “Liberty, Equality, Fraternity.” It is the national motto of France and dates back to the French Revolution. Hubert Vedrine, former French Foreign Minister noted the importance of the values and history of the French Revolution as well its impact on the image of France when he asked:

Do we constantly have to say that France is the ‘home of human rights’? Historically Britain and the United States could claim that title just as much. More modesty would be more in line with reality and not weaken our concrete efforts in favour of human rights.²⁴

If the British see ‘justice and right’ as a part of their identity, then corresponding value that France has built its beliefs on would be the idea of ‘equality.’

We have seen that private property in the United Kingdom has been a tradition that British trade and economic activity has been built on. The search

²³ “Chirac at Bay,” *The Economist*, June 25, 2005, 38.

²⁴ “Quelle the surprise, say the French. People think we’re arrogant,” *Daily Mail (London)*, September 6, 2007.

for markets, trade and resources built an empire. That empire defines who the citizens of the United Kingdom see themselves to be. Whereas private property exists throughout France and has for much of its history, it does not play the same roll. In France the guiding roll for the economy is government involvement and planning. Almost 53 percent of the Gross Domestic Product (GDP) of the French economy came from government spending and government owned businesses.²⁵ In addition the labor unions are very active force in the French economy. Today unions represented only about eight percent of the workers. However they are very aggressive when it comes to protecting the rights of their members. Recent surveys in France indicated that 55 percent of the public believe that radical protest measures are justified and 64 percent believe that actions such as 'boss-napping' should be decriminalized.²⁶ French emphasis has been on a collective rather than an individual solution.

In the areas of history and government the French have a much different background then do the British. Britain has been a model of stability. France has been a model of instability and uncertainty. Since the beginning of the twentieth century France has fought two world wars on French soil against Germany and has lost two war of independence (Algeria and Vietnam).

²⁵ U.S. State Department, *Background note: France*, <http://www.state.gov/r/pa/ei/bgn/3842.htm> (accessed April 16, 2009).

²⁶ Bruce Crumley, "Why the French Love to Strike," *Time*, April 16, 2009 <http://www.time.com/time/world/article/0,8599,1891775,00.html> (accessed April 19, 2009).

Britain's empire has become independent largely by peaceful means and they still maintain a special relationship as part of the "Anglo-sphere." In France there have had three different governmental forms since World War II began. The Vichy government, the Fourth Republic and the Fifth Republic have governed France since 1940. Britain has had one. In the end the defiance and stability seen in Britain, have been replaced in France with uncertainty in the world and an emphasis on collective solutions to problems within Europe. Four constitutions in France since 1940 are opposed by a single constitution the British have evolved steadily since before 1707. With a parliament having been in operation at Westminster since 1707, the United Kingdom has faith in the "sovereignty" of the Houses of Parliament. President Charles De Gaulle's Fifth Republic was established with a strong central government as well as a president that has only needed to deal with limited parliamentary interference.²⁷ These values will provide a picture of a nation that has a different approach to issue in Europe. Britain's eurosceptic outlook verses France's Europe centered vision.

As Europe has moved further along in the process toward integration several nations were required or elected to put the issues before the voters. They have not met with a great deal of success. There have been 23 different

²⁷ M. Donald Hancock, *Politics in Europe* (New York: Chatham House Publications, 2003), 99.

referendums on issues concerning European integration. Two referendums were put before the voter asking about membership in the European Economic Community, Britain said “yes” and Norway said “no.” The Swiss were asked about expanding their economic integration with Europe and the answer was “no.” Creating the European Union with the Maastricht Treaty brought about referendum in six (6) different countries. France, Ireland, Finland, Sweden all approved their entry on the first vote. Denmark and Norway rejected the Maastricht Treaty when it came to a vote. Denmark later approved the entry into the European Union only after changes were made to the treaty. Since then the success rate for the European Union in referendum has gotten worse. Denmark and Sweden rejected the Euro. The Irish voted down the expansion of the European Union. The proposed European Constitution died at the hands of voters in both France and Holland. Finally the replacement for the European Constitution, the Lisbon Treaty, failed to get enough voted in an Irish referendum to pass. Of the 23 referendums that have been put before the voters 59 percent have been approved and 41percent have failed. If you look at only the votes that have occurred in the European Union since the year 2000 it is staggeringly different. Of the eight referendums that have occurred in the European Union since January 1, 2000, only six have been approved. That is a 75 percent failure rate. Now treaties are structured to avoid forcing any government to have to put it to a referendum. The European Constitution lost

any reference to being a “constitution” and became the Lisbon Treaty. Pressure tactics have been used to prevent any referendums. Why are the political leaders afraid of their own people? With a history of the independence the people of Britain have long resisted becoming a part of anything that resembled a federal state of European nations. Do the British and European peoples have more in common than we can see on the surface? Using the three categories that we have found as common factors in Britain’s own attempt to define identity, what can learn about the recent reluctance further integration within Europe?

COMPARATIVE IDENTITY SYSTEMS

FREEDOM / CHARACTER

UK

Fairplay: "sense of fairness and fairplay", No one is above the law - not even the government.

Justice / Right: "The Saxon never means anything seriously till he talks about justice and right."

Private Property: Freedom must include the freedom to buy and sell without fear of confiscation.

Individualistic: "We should tolerate eccentricity in others, almost to the point of lunacy, provided no one else is harmed."

FRANCE

Culture: "Nobody takes culture more seriously than the French.", "being French, for many people, remains a baguette-and-beret affair"

Equality: "Liberty, Equality, Fraternity" the motto of the France and a cornerstone of the French system.

Society: the government continues to control a large share of economic activity.

Group: "All citizens are French, end of story"

HISTORY

UK

Defiant: "we shall fight in the hills; we shall never surrender."

Independent: The sun never sets on the British Empire. Britain has not been invaded since 1066.

World Oriented: The Anglosphere: "all of us who who believe in freedom, justice and the rule of law" Significant trade with world.

FRANCE

Uncertain: Lost two wars of independence, Two World Wars fought on French soil, Three govern - ments since WW II began (Vichy, 4th, 5th Republics)

Interdependent: Tied the future of France to the development of the European Union

France / European: Forge a Europe in image of France. Neutralize Germany. Significant trade with Europe.

GOVERNMENT

UK

Stable: Parliament at Westminster since 1707, Magna Carta 1215

Constitutions: The constitution predates 1707 and has evolved over time

Type: The sovereignty of the Crown in Parliamentary

FRANCE

Change: Three governments since WW II began (Vichy, 4th, 5th Republics)

Constitutions: Four Constitutions since 1940

Type: Strong central government free from parliamentary interference.

CHAPTER 2

THE EUROPEAN BUDGET DEBATE

Whether it is part of a family debate, part of Congressional negotiations or a debate over the size of the European Union's budget, money is always a topic that can get passions enflamed. Even the smallest items can become matters of life and death to someone. As 2005 drew to a close a debate raged across the Europe. The debate over the European Union's 2007-2013 budget had been going on for months without any progress toward a compromise. On one side of the debate stood the French in defense of the Common Agricultural Policy (CAP). Literally across English Channel stood the British in defense of the budget rebate the European Union was required to send back to the United Kingdom every year. For the French the solution to the budget issues was very simple. The British need to give back a large portion of the rebate. From the British point of view the answer was equally obvious. Reforming the Common Agricultural Policy would save millions. Once that policy was revisited the rebate could become an issue to be addressed. Unfortunately, neither side had much use for the proposal that the other party had put forward. These were the battle lines that had been in place since the debate over the new European Union Budget had begun. The compromise that was reached on December 17, 2005 was a diplomatic success. The leaders of Europe agreed that the British would return a small portion of its rebate in return for a promise that the

European Union would “review its spending, including the common agricultural policy.”¹ Everyone was publically content and nothing had really changed.

In 2007 the European Commission printed a document with the intent of explaining the Common Agricultural Policy (CAP) to general public. That document was eighteen pages long and described the policy as:

Europe’s agricultural policy is determined by the Member States and operated by the Member States. It is aimed at supporting the farmers’ income while also encouraging them to produce high quality products demanded by the market and encouraging them to seek new development opportunities, such as renewable environmentally friendly energy sources.²

The CAP was a solution to a problem first noted after the end of World War Two revealed that European agriculture had been severely damaged and the supply of food was not reliable. On March 25, 1952 the French government, in a diplomatic note, proposed an international organization for the management of the agricultural sector. In that note they defined the goals of the organization as:

the creation of a common market and the establishment of healthy competition should:

- lead to more rational, more economic and better-directed production,

¹ “Another splendid compromise forged in Brussels; At last, a deal on the EU budget,” *The Economist*, December 19, 2005, http://www.accessmylibrary.com/coms2/summary_0286-12185179_ITM (accessed March 18, 2009).

² European Commission Directorate-General for Agriculture and Rural Development, *The Common Agricultural Policy Explained*, Brussels, 1.

- encourage agricultural producers to modernize their farms and to increase their productivity,
- thus achieve a gradual lowering of costs.³

The organization that would be tasked with this work would be a European organization that could “take the necessary measures to adjust production to the needs of consumption and to maintain a stable market in the participating countries taken as a whole.”⁴ The description of the organization being proposed called for an international organization “that should have the “powers of decision and arbitration” and warned that an organization “subject to the rules of unanimity, would be practically paralyzed.”⁵ To be successful, in the French view, the proposed organization would need to be a supranational organization able to impose its decisions on the national organizations. The British view was that an agricultural authority was acceptable; however it should only be an intergovernmental body able to reconcile differences in national policies.⁶ Work on a Common Agricultural Policy continued through the Treaty of Rome in 1957 and onto the Stresa Agricultural Conference in 1958. January 1962 found the European Economic Community (EEC) moving on to establishing a

³Archives Nationales du Luxembourg, *Note from the French Government on agricultural integration in Europe*, Paris, March 25, 1952, 3.

⁴ Ibid.,4.

⁵ Ibid.,5.

⁶ Andrew Fearn, “The History and Development of the CAP 1945-1985” in the *Common Agricultural Policy and the World Economy – Essays in Honour of John Ashton*, ed. C. Riston and D. Harvey (Wallingford Oxon, UK: CAB International, 1991), 23.

Common Agricultural Policy for the member states of the EEC. From that point forward many attempts have been made to reform the CAP. None of these attempts have been easy or without disagreement. At its height the Common Agricultural Policy consumed almost two-thirds of the European Union's budget. Even after multiple attempts at reforming the agreement, the CAP still takes up over forty percent of the European Union's budget.

The British relationship with Europe has always been contentious. They were a European power that saw itself as a separate part of Europe. With time the two separate parts of Europe were forced closer together. On January 1, 1973 the United Kingdom finally joined the European Economic Community (EEC). With membership in the European Economic Community and then the European Union came a requirement to make financial contributions to the organizations budgets. The amount of that contribution became an issue almost from the beginning. Historically the British economy looked to the world as trading partners, not to Europe. As a result of this outward orientation the British government took in a significantly larger proportion of taxes and tariffs than did the other members of the European Economic Community. Due to the structure of the communities' budget the contribution of Great Britain became disproportionately large. Britain's farms were larger than most European farms and were more efficient in food production. Because the European Economic Communities' budget was heavily weighted in favor of agricultural supports

Great Britain got less back in return. Less than three years after joining the British Government had to go back to negotiate a reduction in their payment.

Council Regulation (EEC) No 1172/76, known as the 1975 Correction

Mechanism, allowed the relief for members as follows:

A financial mechanism is hereby set up, under the conditions set out in the following articles, consisting of payments from the budget of the Communities to member states in a special economic situation whose economies bear a disproportionate burden in the financing of that budget.⁷

Unfortunately the mechanism did not work. On May 4, 1979 the United Kingdom elected Margaret Thatcher Prime Minister. The next month she was at the Strasbourg European Council with a “determination to fight for large reductions in Britain’s net budget contribution.”⁸ That battle continued through the European Council in Dublin (1979), to the European Council in Luxembourg and finally to the Brussels Foreign Affairs Council meeting in May of 1980. It was at this meeting that an agreement was finally reached to reduce the budget contribution. Despite having misgivings about the agreement Prime Minister Thatcher described that the deal “marked a refund of two-thirds of our net contribution and it marked huge progress from the position the Government had

⁷ European Economic Community, *Council Regulation (EEC) No 1172/76.*, Official Journal of the European Communities 20.05.1976, No L 131, 7.

⁸ Margaret Thatcher, *The Downing Street Years* (New York: HarperCollins, 1993), 62.

inherited.”⁹ This battle was far from over. The budget was back as a significant issue for the British only a few years later. At the Fontainebleau European Council in June of 1984 Prime Minister Thatcher again fought to secure a rebate in the British contribution to the European Union Budget. Once again the disagreement revolved around Britain’s contribution to the budget against the amount spent on the Common Agricultural Policy. Once again the Government of Great Britain walked away with the rebate they sought. This time the rebate was permanent and was protected from change by a British veto. Since that day the British have waged a vigorous defense of the rebate equal to the French efforts to keep the Common Agricultural Policy unchanged.

Article 43 of the Treaty of Rome (1957) established a requirement that a conference be convened to create guidelines for a Common Agricultural Policy. For the original six members of the European Economic Community it was a mission with its roots deeply embedded in the fabric of Europe. It was also a matter of survival. Europe in the post-war era faced shortages of food. The Common Agricultural Policy has been in existence for more than 40 years. In Europe food shortages no longer exist and food has become a source of income as an export commodity. Looking at the goals established for the Common Agricultural Policy it must be considered a resounding success. However, the answer to that question is based on where the answer comes

⁹ Thatcher, *The Downing Street Years*, 86.

from. France, as has been briefly discussed, would say it has been a success. Britain would disagree with that statement. On the surface it would seem to be easy to explain. In 2005 the British received from the European Union £ 4.01 billion (\$ 5.9 billion) under the Common Agricultural Policy. France received £10.46 billion (\$15.38 billion) under the same policy.¹⁰ The difference of opinions has existed almost as long as the policy has and has often taken on a life of its own. Money is only the surface issue, not the root of the differences. Can the differences between these two nations be explained by applying the values that the people in each of these nations see as descriptive of themselves? Do the root values of the people provide an explanation for the opposing positions in the debate?

From the beginning of the debate over agricultural policy in Europe, there have been fundamental differences in the points of view of the two people at the heart of this debate. Nothing is closer to the fundamental question of this, or any issue then the basic question of whose problem is it? Do we take ownership of the problem, therefore the responsibility for solving it, or do we look outside for a solution. In the post war era Europe was in economic ruins. International aid, in particular from the United States was needed to keep Europeans from starving. To solve this crisis the French government turned to the nations of the European continent to increase the production of food. The

¹⁰ Nicolas Watt, "The Battle over the Rebate," *The Guardian (London)*, June 16, 2005.

diplomatic note of March 25, 1952 proposed an international organization to organize and manage the production of food for Europe. The British took a different course. Starting in 1947 the British government instituted a series of four year programs to increase agricultural efficiency and productivity.¹¹ These four year plans began in 1947 and have been regularly updated since then.

Would this be the approach that we would have expected to see based on the value systems established in each of these nations? For the British to look internally for a solution is consistent with their values since they see themselves as both independent and individualistic. The French, as a more interdependent people, would seek a solution that is more community oriented. A solution like that is in line with the established French values. Polling data for the citizens of these states is consistent with these values. In 1974 the first Eurobarometer polls asked if, in general, important problems were best solved at the national or at the community level. The answer that problems were best solved at the community level occurred 80 percent of the time in France. That answer was the highest percentage in the European Community. Conversely the people of the United Kingdom had only a fifty-seven percentage vote in favor of a community response.¹² That was the lowest percentage in Europe.

¹¹ Corrado Bonato, "Expanding the Community Economy," *Corriere della Sera (Milan)*, May 5, 1967, <http://www.ena.lu/>, (accessed April 1, 2009).

¹² Commission of the European Communities, *Euro-barometer 1*, Brussels 1974, 16.

Eurobarometer asked that same question in 1995. This time the answers were significantly different. A community solution was favored by 77 percent of the time by the French public. Only 23 percent of the British public supported more community decisions and the majority (45 percent) opposed the idea¹³. When the question was applied specifically to the area of agriculture the answers were consistent with the previous polls as well as the values systems. It was community issue for the majority of the French (52 percent) and a national issue for the majority of the British (50 percent).¹⁴

In July of 1967 the European Community finally reached an agreement on a common agricultural policy. It had been a long, and at time very contentious, set of negotiations. The French government had been singled-minded in the pursuit of the Common Agricultural Policy (CAP). From the opening efforts to create the CAP to the formalization of an agreement in 1967 there were many twists and turns on the path. At times France had threatened the very existence of the European Economic Community so that the CAP would meet with the goals of the French government. What motivated the French?

The first element in the answer to that question lies in foundation of who the French are. Being French is a cultural affair:

¹³ European Commission, *Eurobarometer 43*, Brussels 1995, B39.

¹⁴ *Ibid.*

The concept of French identity remains rooted deep in the country's centuries-old culture, and a significant portion of the population has yet to accept the increasingly multiethnic makeup of the nation.¹⁵

The Economist described the ties between the French people and agriculture that loom “large in the French tradition.”¹⁶ As a politician that is dependent on the electorate for your job, running afoul of a part of the identity of your people is not a good strategy. The French community identity extends into the agricultural community also. The farmers have formed large and powerful unions. Confrontation is not something that the farm unions have shied away from. The period from the end of World War II up through the signing of the accord on the Common Agricultural Policy in 1967 was an endless series of clashes between the government and the unions. In October 1959 the farmers blocked roads to protest a price increase in butter. Taking to the streets in 1960 the farmers violently protested for higher prices. In 1961 the Tour de France was threatened, the prefecture at Toulouse was surrounded and a mayor was kidnapped in separate demonstrations for a better standard of living. Over the next several years the issues were tomatoes, apricots, milk and higher prices. The pressure was enough to get the French Prime Minister, Georges

¹⁵ Craig S. Smith, “What makes Someone French?,” *New York Times*, November 11, 2005, <http://www.nytimes.com/2005/11/11/international/europe/11france.html?> (accessed February 26, 2009).

¹⁶ “Chirac at bay,” *The Economist*, June 25, 2005, 48.

Pompidou to state:

Whatever may be the future of the Common Market, whatever may be the problems presented to the French Farmers, whether at a national or European level, the farmers will not meet the cost of the possible failures by our partners to meet their obligations.¹⁷

In the end an agreement was reached between the government and the farmers union. The government would delegate significant policy making and material privileges to the union in exchange for support for a program of agricultural modernization.¹⁸ To this day the French government will avoid a confrontation with the farmers. Both the British and the French press have taken note of this fact. The Sunday Mirror noted that President Jacques Chirac is “terrified of his farmers.”¹⁹ Agence France-Presse also wrote that President Chirac “will do nothing to upset his militant farmers.”²⁰ The combination of a politically powerful union and its strong ties to the French population’s identity, create an irresistible force in French agricultural policy.

If the irresistible force in France was the cultural identification of the people with agriculture and a powerful farmers union, then the immovable

¹⁷ “M. Pompidou’s assurance to French Farmers,” *Times (London)*, July 3, 1965.

¹⁸ Christilla Roederer-Rynning, “Farm conservatism in France: revisiting the weak state thesis” in *France and the European Union: After the Referendum on the European Constitution*, ed. Emiliano Grossman, (London, Routledge: 2008), 21.

¹⁹ Richard Stott, “Stotty on Sunday: Breeding a Brave New EU World,” *The Sunday Mirror (London)*, December 18, 2005.

²⁰ Robert MacPherson, “British Press Tells Blair to hold firm on EU rebate,” *Agence France Presse*, June 11, 2005.

object has to be President Charles De Gaulle. De Gaulle was a hero. After the fall of France in 1940, he made a famous speech announcing a “mutiny” against the French government. De Gaulle refused to accept the surrender to the Germans and promised to lead the resistance. August of 1944 saw General De Gaulle lead the Free French down the Champs Elysees. De Gaulle was France. A separatist movement started an armed conflict in the French Territory of Algeria. Efforts to control this revolted started an armed conflict that lasted from many years. Warfare spilled out of Africa and into France itself. The resulting political crisis brought the Fourth French Republic to its knees and brought De Gaulle back into a leadership role in France. De Gaulle signed a separate peace with the rebels in Algeria. It was not a popular move. Elements of the French Army had sided with a French movement in Algeria that favored keeping Algeria as part of France. The French Foreign Legion had fought for many years to defend Algeria’s ties to France. Walking away and leaving behind all of the French Legionnaires buried in Algeria was contrary to everything they believed in. It so incensed the Legion that elements of one of its parachute regiments attempted to overthrow the government. De Gaulle helped shape the Fifth Republic as a government lead by a powerful President. Ronald Tiersky, in his biography of Francois Mitterrand described De Gaulle as follows:

De Gaulle was France was De Gaulle. This made for strength – de Gaulle didn't have a single doubt that he embodied France – but it also cut him off from other experience. He could not afford to be either too interested in the rest of the world or, above all, influenced by it.²¹

President De Gaulle had little difficulty standing up to anyone. His mission was to restore France to its rightful place in the world and bring back its “grandeur.” De Gaulle took France out of NATO in protest of the Anglo-Saxon domination of the organization. In *De Gaulle and Europe: Historical Revision and Social Science* Andrew Moravcsik describe the common image of De Gaulle as:

...an ‘innovative leader’ driven by ‘high’ politics rather than ‘low’ politics, politico-military prestige and security rather than economic welfare, a distinctive geopolitical world view rather than the mundane concerns of democratic governance. His term as French President from 1958 to 1969 is a study in the possibilities and limits of visionary statecraft in the modern era.²²

By the time he took office the debate with regard to the Common Agricultural Policy had been going on for over six years and negotiations were well underway.

If General De Gaulle truly was driven only by the “high” politics are all of his actions consistent with that goal? Andrew Moravcsik proposes the De Gaulle was, in fact motivated by “low” politics. That he was motivated by the

²¹ Ronald Tiersky, *Francois Mitterrand: A Very French President* (Lanham: Rowman & Littlefield, 2000), 5.

²² Andrew Moravcsik, “De Gaulle and Europe: Historical Revision and Social Science Theory” Working Paper Series, Minda De Gunzburg Center for European Studies, 1998), 1.

same values that all democratic politicians are motivated by: the generation of electoral support. To do that De Gaulle would have had to take note of the influential farmers groups: “any French government was obligated to defend a common agricultural policy.”²³ De Gaulle himself stated that “if [agriculture] is not resolved we will have another Algeria on our own soil.”²⁴ Gaullist ideology supports an independent France, an independent nuclear capability and an independent foreign policy. Yet during his years as president, France agreed to a supranational organization to establish and administer the Common Agricultural Policy. De Gaulle even said “There will be no Common Market without a CAP” and “France is only as European as she is agricultural.”²⁵ That is an interesting statement from a leader who vetoed a British application for membership in the European Economic Community on the ground that they were not ‘European’ enough. In fact the British problem was not that they weren’t European enough, it was that they were not agricultural enough. French farmers opposed the British suggestion of a Free Trade Area (FTA), but wanted access to the British market. The British were more efficient farmers and the system used in the United Kingdom to support agriculture produced food at a lower cost. Implementation of the CAP would increase prices across

²³ Moravcsik, “De Gaulle and Europe,” I-B-2.

²⁴ Ibid.

²⁵ Ibid., II-A-5.

Europe. That concern had not been lost on the French. *Le Monde*, the French newspaper, had warned in 1964 that the government needed to use care to insure that all people benefited from this agreement.²⁶ The Common Agricultural Policy was designed to be a support system for a segment of French society that was important to France's image of itself.²⁷

Just how seriously did President De Gaulle take the issue of the Common Agricultural Policy? Defense of the CAP was of critical importance to the French government. At a meeting of the European Council in 1965 the time had arrived for the European Community to move to a qualified majority voting system in the several areas including agriculture. All members of the European Community had already agreed to that in the Treaty of Rome. This change could allow a qualified majority vote to threaten the funding for the Common Agricultural Policy. Such a vote was a clear threat to French Policy on agriculture. The French reaction was to withdraw its Ambassador from the European Community and to boycott all further meetings. If necessary, France threatened, it would leave the community. These actions became known as the "empty chair crisis." Over the next six months the members of the European Community negotiated a settlement. The resolution to the crisis has become known as the "Luxembourg Compromise." A majority vote that threatened the

²⁶"Welcome by French Farmers," *The Times (London)*, December 16, 1964.

²⁷ Dan Morgan, "Why Europe Won't Buy Our Grain," *Washington Post*, January 9, 1977.

“vital national interests” of a member state could be vetoed by prolonging discussions “until unanimous agreement is reached.”²⁸ After the agreement had been reached President De Gaulle gloated: “The CAP is in place. Hallstein and the Commission have disappeared. Supranationalism is gone. France remains sovereign.”²⁹

Farmers, peasants, food and the life in the country are vital images of the meaning of being French. However, wine is just as near and dear to the French. In the name of wine France fought a fifteen year ‘war’ with Italy. The issue was the importation of less expensive Italian wine into France - a business that was perfectly legal under the rules of the European Economic Community. French wine growers have poured diesel fuel into Italian wine and attacked trucks carrying wine into France. What was the French reaction? Impose a twelve percent border tax on Italian wine in direct violation of the Treaty of Rome. It forced the European Commission to take legal action against the French.³⁰ Four years later the French were stopping Italian wine at the border and the European Commission had to consider legal action again. That solution lasted one year before the border was closed again. In 2005 the European Union plan to impose a minimum wine duty across Europe was

²⁸ Moravcsik, “De Gaulle and Europe,” II-D-2.

²⁹ Ibid.

³⁰ “Bonn holds the key to the budget and wine war,” *The Times (London)*, September 29, 1975.

withdrawn. The wine duty was seen “as an assault on French culture” and the European Union needed the support of the French public to get the European Constitution passed in a referendum in France.

January 1, 1973 brought the United Kingdom into the European Economic Community. As a condition of that membership the British had to agree to the terms of the Treaty of Rome, including the Common Agricultural Policy. Britain found itself paying much more into the European Community’s budget than it was getting back from the Community. Successive British governments had tried to find a solution to this problem. A mechanism to address the issue was agreed upon in 1975; however, it has no effect on the payment imbalance. Elected Prime Minister in 1979 Margaret Thatcher was set on arriving at an agreeable resolution to the problem. From the very beginning of her first European Council meeting, Prime Minister Thatcher made that clear. When asked by French President Giscard d’Estaing if the Prime Minister of the United Kingdom did not agree that the topic of the budget could be discussed the next day, Margaret Thatcher answered with a clear “No.”³¹ It was a resounding indication that there was a new leader in Britain. Later Mrs. Thatcher overheard a foreign official remark: “Britain is back.”³² The results from her second council were not any different. She noted: “What I could not

³¹ Thatcher, *The Downing Street Years*, 64.

³² *Ibid.*

accept was the attitude that fairness as such did not seem to enter into the equation at all.”³³ It was an attitude from her counterparts that Mrs. Thatcher described as “quintessentially un-English.” At the press conference after the council the Prime Minister warned: “I am only talking about our money, no one else’s.” The complete series of events at this European Council reminded Prime Minister Thatcher of one of her favorite poet’s verse warning the French (Normans) about the English (Anglo-Saxons):

The Saxon is not like us Normans. His manners are not so polite.
But he never means anything so serious until he talks about justice and right. When he stands like an ox in the furrow with his sullen set eyes on your own, And grumbles, ‘This isn’t fair dealing’, My son, leave the Saxon alone.³⁴

Do these statements reflect the feelings of the British public? A Eurobarometer poll conducted released in December of 1979 indicated that only 19 percent of the “non-leaders” in the United Kingdom thought that membership in the European Community was “a good thing.” The same poll found that 47 percent of the “leaders” thought that membership was a “good thing.”³⁵ The majority of both groups disagreed with the statement that membership in the European Community was a “good thing.” For ‘non-leaders’ over 80 percent of the group disagreed with that statement. In contrast 49

³³ Thatcher, *The Downing Street Years*, 81.

³⁴ *Ibid*, 82.

³⁵ European Commission, *Eurobarometer 12*, Brussels 1979, 36.

percent of the “non-leaders” and 63 percent of the “Leaders” in France thought membership was a “good thing.” For both nations the positions taken by the government appear to be consistent with the beliefs of the public. The French were in support of the community and the British trying to limit it.

With the arrival of the next European Council held in Luxemburg, the British were again presented with an opportunity to state their case. As the meetings progressed France was able to secure price increases for some agricultural commodities. That raised the cost of the Common Agricultural Policy. An offer of a limit to the level of British contributions for one year was put forward to balance the change. It did not take the British Prime Minister long to provide the Commission with a firm “no” as her answer. The French were “increasing desperate to achieve their aims in the Agricultural Council” and brought up the possibility abrogating the Luxembourg Compromise by overriding the British veto. No agreement was reached during the European Council; however, within a month an agreement was reached by the Foreign Ministers at their meeting. Margaret Thatcher was not impressed with the agreement. It did offer a multi-year solution and that was an improvement, so she accepted it.³⁶ Overall during this period the polls showed that the French were still pleased with their membership in the European Community. On average (for the years 1976 through 1982) 57 percent of the French public felt

³⁶ Thatcher, *The Downing Street Years*, 86.

their membership was a “good thing.” For the British the average was much lower. Only 33 percent of the British public felt membership was a “good thing.” The data is consistent with behavior that would be expected based on the value systems. From the British side the sense of fairplay, justice and independence would all point towards a solution that is worked out to provide balance within the system. In France need to defend their agricultural culture and the desire for a group / interdependent solution to the issue make this a vital national interest for the public. The fact that such an important segment of their culture and society is very well organized would make the issue even more critical.

As soon as the first agreement on limiting the British contribution to the European budget neared its end, the search for the permanent solution began. It started with the European Council at Athens in 1983. The French were not willing to discuss any long-term solution to the British budget concerns and the British prevented any increase in the spending on the Common Agricultural Policy. The press described the council as a “fiasco.”³⁷ Margaret Thatcher described negotiations with the European Community as having become a “farce.”³⁸ At the next Council the results were no better. The French made an offer that was less than the British wanted and it was another temporary solution. The British again said “no.” Immediately after the Heads of State met

³⁷ Thatcher, *The Downing Street Years*, 338.

³⁸ *Ibid*, 536.

the Foreign Ministers met and the French blocked payment of the British refund that had been pervious agreed to.³⁹ In the following days there was much discussion that the British might withhold their payment to the European Community. That, however, did not happen. The next European Council was held at Fontainebleau. Negotiations at this council were much more promising. In the beginning the results were not as positive as Mrs. Thatcher had expected. She met with the Heads of State and again reminded them that Britain did not feel that it had been treated fairly from the very beginning.⁴⁰ In the end Prime Minister Thatcher secured a permanent rebate based on a percentage (sixty-six percent) of the difference between what the United Kingdom paid into the budget and what it got back. The European Community released the refund that was being withheld and United Kingdom was able to insure that they still had a veto over any change in the rebate. After the agreement was announced the London Times noted in an editorial that the agreement was “a tribute to our bloody-minded-ness as much as to the justice of our case.”⁴¹

Over the following years the battle over the Common Agricultural Policy (CAP) and the British Rebate continued. The CAP was revised in 1999 by

³⁹ Thatcher, *The Downing Street Years*, 538.

⁴⁰ Ibid, 543.

⁴¹ Editorial, *The Times (London)*, June 27, 1984.

altering the manner in which support was sent to the farmers. As 2005 approached the battle of the Common Agricultural Policy vs. the British Rebate became an issue for the 2007-2013 European Union budget. British Prime Minister Tony Blair noted that it was “hypocritical for France to talk about alleviating third world poverty while simultaneously blocking reform of the CAP.”⁴² The French President cancelled the next meeting with the British Prime Minister. The French government stated that the British defense of the rebate “defies logic.” Jacques Delors, a former head of the European Commission, added as follows:

...he would not sacrifice the French countryside on the altar of world trade. The beauty of France and the glories of its food and wine are indeed splendid, and help make the country the world’s most popular tourist destination.⁴³

The facts were that the CAP still consumed forty percent of the budget to support an industry that employed five percent of the workforce and produced less than two percent of the European output.⁴⁴ That, in the minds of the British, justified the proposed changes to the Common Agricultural Policy. News media in the United Kingdom was clearly behind the defense of the

⁴² “Europe: Let them eat Foie gras,” *The Economist.*, June 21, 2003, 45.

⁴³ Ibid.

⁴⁴ Nicholas Watts, “EU Budget: The battle over the Rebate,” *The Guardian (London)*, June 16, 2005.

rebate. "Tell Jacques to jump in the Seine" announced the Daily Mail.⁴⁵ For their part the French were just as clear. The French European Union Affairs Minister stated: "Agriculture is excluded."⁴⁶ In France 46 percent of the public still thought that France had benefited from membership in the European Union. British numbers were much more pessimistic. Only 30 percent of the public thought that the United Kingdom had benefited from their membership in the European Union.⁴⁷ With both side as entrenched in their positions as both the British and French were, a diplomatic success was all that was possible. Resolving the problem was left for the budget debate that would follow the end of the 2007-2013 budget. The Daily Mail did not hide its opinion this time either referring to the deal as "The Great Betrayal."⁴⁸

Throughout the debate over the Common Agricultural Policy, and the corresponding British rebate, public opinion was consistent. For the French the public values supported the goals of the Common Agricultural Policy. The defense of the "peasant" farmers were critical to who the French saw themselves to be. Government policy was consistent with the public values. In

⁴⁵ Simon Heffer, "Tell Jacques to jump in the Seine," *The Daily Mail (London)*, June 11, 2005.

⁴⁶ "French minister renews refusal to negotiate farm issue for EU budget," *Agence France – Presse*, July 1, 2005.

⁴⁷ European Commission, *Eurobarometer 61*, Brussels 2004, B35.

⁴⁸ Benedict Brogan, "The Great Betrayal," *The Daily Mail (London)*, December 2, 2005.

the United Kingdom the sense that the British had been treated unfairly made the public support the drive to obtain a rebate. It also meant that the rebate was a policy that could not be given back without a fight. The British government maintained a policy that was consistent with public values. The fact that policy and values in both countries were running parallel limited the domestic conflict to difference on how the defense would be conducted, not on the direction of the policy. The conflict remains between the nations and has yet to be resolved. Since the resolution will require a dramatic change in historic values that is unlikely to occur, the battle over the 2014 – 2020 European Union Budget is likely to be a bloody conflict.

CHAPTER 3

MONETARY POLICY

The European Council of December 1991 met in Maastricht Holland for the final negotiation on the Treaty of European Union (TEU) that simply became known as the Maastricht Treaty. The treaty institutionalized the “Three Pillar” concept of the European Union (EU). Economic and social affairs were the first pillar, Common Security and Foreign Policy (CSFP) the second, and Justice and Home Affairs (JHA) completed the three pillars created by the Maastricht Treaty. One of the other changes that came from this document tried to address the growing concern that there was a “democratic deficit” within the European Union (EU). Known, as “co-decision” this procedure required the European Parliament and the Council of Ministers to work together to create policy for the European Union (EU) in certain areas. The power of the European Union (EU) was also extended into several new areas. Education, the environment, health and industry became concerns for the European Union.¹ However, the greatest change in European Union brought about by the Maastricht Treaty was the Economic and Monetary Union (EMU). The Economic and Monetary Union required member states to abandon their national currency and to adopt the new currency of the European Union known

¹ M. Donald Hancock and others, *Politics in Europe*, (New York: Chatham House, 2003), 124.

as the Euro. Each nation's central bank would be required to give up its authority to set monetary policy to a European Central Bank (ECB) that would set monetary policy for everyone.

Unlike the questions that surrounded the Common Agricultural Policy the issues of the Economic and Monetary Union (EMU) dealt directly with powers that were the sole province of the national government. This type of change would be dramatic and difficult if the group was harmonious in nature. Europe, however, was far from harmonious. Governments have conflicting or competitive purposes for the same set of policies. As we have seen the population of each these states has a set of values that uniquely defines their identity. In the case of the EMU these values will be seen to conflict not only with the populations of other European states, but occasionally with that nation's own government. Any organization with this type of conflict will find it difficult to put its policies into effect. When you add the notorious "democratic deficit" of the European Union it becomes exponentially more difficult. As part of its regular surveys, the European Commission's Eurobarometer asks the public to compare their satisfaction with the democratic process in their own country and the European Union. Germany, France, Sweden and the United Kingdom all were asked that question as part of the Eurobarometer survey (EB56.2) published in November 2001.

On the whole, are you very satisfied, fairly satisfied, not very satisfied or not at all satisfied with the way democracy works in:						
		Very Satisfied	Fairly Satisfied	Not Very Satisfied	Not at all Satisfied	Do Not Know
Germany						
	EU	3%	38%	32%	9%	17%
	Your Country	8%	53%	27%	9%	2%
France						
	EU	3%	41%	25%	12%	18%
	Your Country	6%	52%	26%	12%	4%
Sweden						
	EU	1%	35%	38%	14%	12%
	Your Country	8%	64%	22%	4%	2%
UK						
	EU	4%	35%	23%	13%	25%
	Your Country	11%	57%	20%	6%	6%
November 2001 (EB56.2)						

The population of each of those states indicated they were more satisfied with their own democracy than that of the European Union. Even the most European oriented states stayed true to that theme. French citizens were more satisfied with the French democracy 58 percent to 44 percent for the European Union. The Germans felt the same way 61 percent to 41 percent. More eurosceptic countries had differences that were far more pronounced. In Sweden the population answered 72 percent to 36 percent for their domestic democracy and in the United Kingdom it was 68 percent to 39 percent

indicating their own nation's democracy was better. An act transferring authority that had been the sole province of a nation-state to an international body was an un-natural event. When that body has a limited level of trust from the population of the state relinquishing the powers it becomes even more complicated.

The creation of the Economic and Monetary Union (EMU) was intended to do more than further the economies of the member states. Once again the nations of Europe were acting together to limit the power of Germany. In many ways the history of Germany in the twentieth century is the history of Europe. At the beginning of the century Germany was rapidly becoming one of the world's elite powers. European alliances and a policy of expansion brought Kaiser Wilhelm's Imperial Germany into conflict with her European rivals France, Russia and Great Britain. That conflict erupted into the First World War, the "war to end all wars." Millions died, nations were destroyed and Imperial Germany did not survive. In victory the allies decided to use the opportunity to insure Germany would never again threaten peace in Europe. They saddled Germany with large reparation payments and a weak military. Imperial Germany became the Weimar Republic. A weak government of a divided country, the Weimar Republic had yet to create a strong democratic foundation when the world was rocked by the great depression. The economic collapse from the great depression created a period of hyperinflation that

created havoc in the young Republic and would leave a mark on the collective memory of Germany.² Weak and in disarray, the Germany of the 1930's easily fell under the spell of a new charismatic leader named Adolf Hitler. His rise to power again started Germany down the path to war and she took the entire world for a second time. The destruction brought about by the First World War paled in comparison to what the Second World War accomplished. The face of the world had been changed forever. Germany lay in utter ruins. While the destruction of her economy brought back a return of hyperinflation.³ As Europe struggled to rebuild, the question of how to insure that Germany would never again to be a threat to the world dominated the concerns of her neighbors.

Europe had tried to control Germany by weakening it to the point they thought it would never again be a threat. That policy was an utter failure. If you couldn't suppress Germany, could you control them in another way? The Allies felt the answer to the question was to tie Germany to Europe, and the west, so that they couldn't afford to become a threat. That policy became the primary focus of the French in Europe. Years later German Chancellor Helmut Kohl would agree saying that it offered the best chance for "containing a potentially

² Kenneth Dyson, "The Franco-German relationship and economic and monetary union: using Europe to 'bind Leviathan,'" *West European Politics*, v22il (Jan 1999), 25.

³ *Ibid.*, 25.

dangerous Germany within Europe.”⁴ This time, however, it was the power of the German currency that was a concern. Over the preceding years there had been several attempts to create a system that would allow the coordination of exchange rates and monetary policy within Europe. What had evolved was known as the European Monetary System (EMS). The system tied the value of the currencies of the member states to the value of the Deutschmark (DM). By that point in time the Deutschmark had become the most powerful and stable currency in Europe. The Bundesbank jealously guarded the value and stability of the Deutschmark. In order to meet that goal the bank had a legal mandate to maintain a policy of monetary stability. That in turn created a problem for the other countries. Economic conditions in Germany dictated the monetary policies of the Bundesbank. Regardless of the economic conditions in their own countries, the central banks of other nations were forced to follow the Bundesbank policy.⁵ Situations that resulted from this linkage created a significant amount of hostility toward the Bundesbank. The French were especially sensitive toward the power of the Bundesbank to dictate monetary policy for the French economy. The creation of the Economic and Monetary Union presented an opportunity to control the powerful Bundesbank. Each

⁴ Martin Feldstein, “EMU and international conflict,” *Foreign Affairs*, v75 n6 (Nov-Dec 1997), 60.

⁵ Mark Duckenfield, “Bundesbank-government relations in Germany in the 1990s: from GEMU to EMU,” *West European Politics*, v22 i3 (July 1999), 87.

bank would only get one vote in the union. Suddenly there was the opportunity for the other nations within the EMS to have a voice equal to the German bank. Negotiations to create the Economic and Monetary Union (EMU), as well as the European Central Bank (ECB), were not simple. German negotiators from the Bundesbank insisted that the structure of the Bundesbank be used the model for the European Central Bank (ECB). They operated on a simple premise that it was “better to have a second best outcome at our level of level than the ‘nth – best’ solution in the hands of the heads of state.”⁶ The primary goal of the new bank would be the same as the goal for the Bundesbank, to maintain monetary stability. To insure that the goal would be protected in the run up the union the Bundesbank also insisted on strict convergence criteria for any nation that wanted to join the new monetary system:

- 1) remain within the “normal fluctuation margins of the ERM (exchange rate mechanism) without devaluation for a period of two years;
- 2) maintain an inflation rate within 1.5 per cent of the average of the best three EU performers for one year;
- 3) maintain long term interest rates within 2 per cent of the average of the best three EU performers for one year;
- 4) maintain a total public sector debt of under 60 per cent of GDP in the year prior to selection;

⁶ Kenneth Dyson, “The Franco-German relationship and economic and monetary union: using Europe to ‘bind Leviathan,’” *West European Politics*, v22il (Jan 1999), 25.

5) run a public deficit under 3 per cent of GDP in the year prior to selection;⁷

Like the Bundesbank the European Central Bank would also be insulated from political influence. It would be able to make technically competent decisions without interference. Negotiators for the Bundesbank had such a great influence on the terms of the Maastricht Treaty that the parts dealing with the European Central Bank were almost identical to the Bundesbank law and written in German.⁸

After the signing of the Maastricht Treaty the European Union now had to make it work before the new currency was introduced. That presented a problem for the government of France. President Mitterrand decided that ratification of the Maastricht Treaty would be done through a referendum vote in France. Based on the value system we would not expect it to be an easy vote to win. The debate surrounding the Common Agricultural Policy showed us that a primary driving force was the cultural values of the French. In the case of the Maastricht Treaty they would not play the same primary role. Although there were cultural aspects to what the French did, the leading factors were the historical values. Failing to recognize this proved to be an embarrassment to the French president. As we have seen one of the main goals for the French in the establishment of the EMU was to limit the power of the Bundesbank in the

⁷ Mark Duckenfield, "Bundesbank-government relations in Germany in the 1990s: from GEMU to EMU," *West European Politics*, v22 i3 (July 1999), 87.

⁸ *Ibid.*, 88.

French economy. This goal would be perfectly in line with what we would expect based on the values. Having fought two world wars on French soil the public would be comfortable with the efforts to control the power of the German bank. Doing that through the European Union matches the both the interdependent and European orientation of the values system. The French concerns over German influence did play a significant role in the referendum campaign. Fears of Germany were able to play enough of a role in the debate that President Mitterrand had to confront them head on. During the final run up to the vote he addressed the issue stating:

I am personally wounded when I see how the 'yes' voters as much as the 'no' voters justify themselves with the arguments about a German danger. First of all it shows a lack of confidence in oneself. Then it implies that there are demons that are specific to Germany, when the fact is that every people must be vigilant about its own. To understand Germany and Germans demands more respect of them.⁹

The government was asking the French population to release the ability to control their own monetary policy to a central bank that was a European version of the Bundesbank. The government was advocating a policy that ran contrary to the values of its own people.

We have seen that strict controls have been set for spending under the EMU in order to maintain stability in monetary policy and fight inflation. But as

⁹ Ronald Tiersky, *Francois Mitterrand: A Very French President* (Lanham: Rowman & Littlefield 2000), 196.

soon as the criteria had been set the French seemed to be ready to ignore it. French President Francois Mitterrand told his countrymen that despite what the treaty said the European Central Bank would be subject to political control.¹⁰ The European Central Bank was specifically established to be free of politics. It was a structure that paralleled the Federal Reserve Bank in the United States. Already concerned that the monetary union was a means for the French to dismantle its stability policies, the Bundesbank decided that the march to the union needed to be a slow process.¹¹ The French government had publically signaled that it intended to undercut a portion of the treaty that had already been signed, but not ratified. In order to get the agreement the government had to accept the terms of Germany and the Bundesbank. It became a case of the ends justifying the means. President Mitterrand wanted to create a single Europe in order to set himself apart from De Gaulle.¹² A facet of French society is the emphasis on the group rather than the individual. Government owns businesses and provides employment. Government provides a safety net for society. The cost of that safety net is significant. If there were strict constraints on spending then there was a threat to the group / society value. A threat to an

¹⁰ Martin Feldstein, "EMU and international conflict," *Foreign Affairs*, v75 n6 (Nov-Dec 1997), 60.

¹¹ Karl Kaltentaler, *Germany and the Politics of Europe's Money* (Durham: Duke University Press, 1998), 73.

¹² Tiersky, *Francois Mitterrand*, 199.

important core value could not be ignored. Therefore President Mitterrand had to make a statement that was factually incorrect. It, however, reflected the intent of the government to use all of its powers to circumvent the portions of the treaty intended to isolate the European Central Bank from political influence. By signing the treaty as it was finally constructed the French government did not account for the values of its own people or underestimated them. Ratification of the Maastricht Treaty was accomplished when the people approved the treaty in the referendum. Victory was by the narrowest of margins 51 percent to 49 percent. The narrow margin of victory was an embarrassment to the one of the biggest proponent in Europe of the agreement. It was, however, predicable.

As it became time to move to that final phase of the Economic and Monetary Union, the French government was much more cautious. January 1, 1999 was the date schedule for the Euro to replace the national currencies. There were national calls for another referendum to approve the switch to the Euro. Prime Minister Lionel Jospin reject those calls saying that all views about a referendum were worthy of respect, but they had already spoken and their word was “sovereign.”¹³

¹³ “French premier rules out referendum on euro,” *La Chaine Info (Paris)*, April 21, 1998, <http://0-infoweb.newsbank.com.library.lausys.georgetown.edu/iw-search/we/InfoWeb> (accessed April 14, 2009).

For the German people the Deutschmark, and the economic power it represented, were a source of great pride.¹⁴ Interestingly the German people had greater faith in the Bundesbank, the defender of the currency, than they had in any of their political leaders.¹⁵ Now they were being asked to give up their beloved D-mark. From the beginning of negotiations public opinion was strongly on the side of the Deutschmark. Chancellor Kohl used the same tactic here that he had used in the reunification of Germany. Push the nation beyond the point of no return, then let the details and the consequences take care of themselves. Unfortunately, the political influence he needed to do that had been lost when he ignored the Bundesbank recommendations on the Ostmark.¹⁶ Public reaction to the new currency was swift. *Das Bild*, a popular German newspaper, proclaimed in a headline “Our Lovely Money is Done For.”¹⁷ They then launch a campaign to “save our D-mark.”¹⁸ *Der Spiegel*, another popular newspaper, warned that the EMU could be doomed to

¹⁴ Kenneth Dyson, “The Franco-German relationship and economic and monetary union: using Europe to ‘bind Leviathan,’” *West European Politics*, v22i1 (Jan 1999), 25.

¹⁵ “Is Kohl in Control?,” *The Economist (US)*, February 15, 1997, <http://0-www.lexisnexis.com.library.lausys.georgetown.edu/us/lnacademic/search/homesubmitForm.do> (accessed April 14, 2009).

¹⁶ “Is Kohl in control?,” *The Economist (US)*, February 15, 1997.

¹⁷ “Germany, EMU and the D-mark: Super-salesman required,” *The Economist (US)*, September 16, 1995, 58.

¹⁸ “German Still Opposed to the Single Currency,” *The Irish Times (Dublin)*, June 9, 1997, 13.

collapse.¹⁹ Opinion polls showed that almost two-third of the public opposed the new currency. The same data found that 74 percent of the public wanted to vote in a referendum on the change to the Euro.²⁰ Support among the political and business establishment was entirely different. The major political parties supported the new Euro with only the Party of Democratic Socialism (the former East German Communist party) in opposition.²¹ Business organizations, the banking industry and trade unions strongly supported the new currency. Fully 85 percent of the business and political elite supported the change.²² Several political leaders from the German Lander (states) did express their concerns. Gerhard Schroeder, the Prime Minister of Lower Saxony expressed concerns and suggested the process be delayed.²³ The Prime Minister of Bavaria, Edmund Stoiber, also became a vocal part of the debate as he expressed his opposition.²⁴ Germany was deeply divided over the fate of the Deutschmark.

¹⁹ Ian Traynor, "The Elusive Dream: Germans' Love Affair Starts to Turn Sour," *The Guardian (London)*, March 3, 1997, 15.

²⁰ "German public opposes euro, polls shows," *Deutsche Presse-Agentur (Bonn)*, January 8, 1997, <http://www.lexisnexis.com.library.lausys.georgetown.edu/us/lnacademic/results/docview> (accessed February 26, 2009).

²¹ "Doubts, hesitancy, determination: Germany and the EMU," *The Economist (US)*, February 14, 1998, 51.

²² "German Still Opposed to the Single Currency," *The Irish Times (Dublin)*, June 9, 1997, 13.

²³ *Ibid.*

²⁴ "Doubts, hesitancy, determination: Germany and the EMU," *The Economist (US)*, February 14, 1998, 51.

The public was so deeply opposed that the opposition's lead over the new currency's supporters was never less than ten (10) points and frequently exceeded twenty (20) points.²⁵ Yet there would not be a referendum. Helmut Kohl couldn't sell the euro to the Germany. There was only one organization that had enough public trust to get the country to accept the Euro. Now the Chancellor needed the Bundesbank on his side or the EMU would never become reality. A ruling by Germany's Constitutional Court in 1993 stated that membership in the EMU had to be based on "strict" adherence to the Maastricht criteria. During the intervening years Germany's political leaders invested a large amount of effort defending and strictly enforcing the convergence criteria written by the leaders of the Bundesbank.²⁶ In the year before the monetary union was to come into effect, a second lawsuit was filed in Constitutional Court seeking to force the government stop it. The suit claimed that if even one country failed to meet the criteria the union had to be stopped.²⁷ It did not succeed. One hundred fifty-five leading economist made a public appeal one

²⁵ Mark Duckenfield, "Bundesbank-government relations in Germany in the 1990s: from GEMU to EMU," *West European Politics*, v22 i3 (July 1999), 87.

²⁶ Ibid.

²⁷ "Doubts, hesitancy, determination: Germany and the EMU," *The Economist (US)*, February 14, 1998, 51.

month later to delay the introduction of the Euro.²⁸ In the end the fate of the Euro hung on the final report of the Bundesbank. If the report was positive Chancellor Kohl stood a chance of getting the approval of the Bundestag. Despite reservation about two countries the Bundesbank came to a positive conclusion with regard to compliance with the convergence criteria. Choosing the countries that participate in the union was, after all, a political decision. With the stamp of approval from the Bundesbank, the Bundestag approved the legislation with only the Party of Democratic Socialism in opposition. Bavaria was the only one of the German states to oppose the monetary union as it passed through the Bundesrat.²⁹

When the Economic and Monetary Union went into effect on January 1, 1999 the issue of the convergence criteria had not gone away. By 2002 Germany's budget deficit had gone through the ceiling set by the Bundesbank criteria in the Maastricht Treaty. France's growing deficit would also soon push them into violation of the pact. The European Union had harsh criticism for Germany's violation of the pact they had written.³⁰ The Commission of the

²⁸ David McKay, "The Political Sustainability of the European Monetary Union," *British Journal of Political Science*, v29 i3 (July 1999), 463.

²⁹ Mark Duckenfield, "Bundesbank-government relations in Germany in the 1990s: from GEMU to EMU," *West European Politics*, v22 i3 (July 1999), 87.

³⁰ Mark Lander, "Court in Europe faults Officials for Waiving Deficit Rules," *New York Times*, July 14, 2004, C1.

European Union voted that both countries should be threatened with fines if they didn't come back into compliance with the criteria. The Finance Ministers, however, voted to give Germany and France more time to come back under the limits. To enforce the pact the European Commission file suit against the Finance Ministers in the European Court of Justice. In July 2004 the court ruled that the Finance Ministers were in error and should not have given the countries more time.³¹ Romano Prodi, President of the Commission when the suit was filed, called the pact "stupid" when the ruling was announced.³²

Citizens of the United States are proud of their tradition of democracy. We often think that we were the first nation to have a democratic government. Scandinavians, however, have us beaten by about eight hundred years. Iceland's parliament is the modern descendant of the "Allthing" that first met in 930. It has met continuously since then. Sweden's parliament, known as the Riksdag, met for the first time in 1435. This has generated a strong public attachment to parliament, its role and its authority.³³ Royal power in Sweden was further reduce when the Instrument of Government went into effect in 1719

³¹ Mark Lander, "Europe Scolds 3 Nations about Budgets," *New York Times*, January 9 2003, W1.

³² Mark Lander, "Court in Europe faults Officials for Waiving Deficit Rules," *New York Times*, July 14, 2004, C1.

³³ Lee Miles, *Sweden and European Integration* (Aldershot: University of Hull, 1997), 24.

and more power was transferred to the Riksdag. Sweden was one of the first nations in the world to grant freedom of the press in 1766. Swedish tradition of building a ruling consensus dates back to 1809 with fall of the last authoritarian monarch.³⁴ The Instrument of Government signed in that year lasted until 1975. Stability of the government was a trademark of Sweden. While World War I raged in Europe and revolution overtook Russia Sweden remained at peace and elected the world's first Socialist government. That stability continued through World War II when a united government worked to keep Sweden out of the war. Today the Riksdag has one of the lowest ratios of population to members of any parliament in the world. This insures that everyone is equally represented in the Riksdag.

Through all of the various conflicts that have raged across Europe and the world Sweden has remained neutral. She stayed out of both world wars and remained on the sidelines of the cold war. Sweden has been at peace for over two hundred years. It is a fact that the Swedish people are very proud of. Their commitment to neutral and non-aligned status has carried into their economic relations with the rest of the world. Membership in European Economic Community (EEC) was avoided in favor of the European Free Trade Association (EFTA). As that association dissolved Sweden refused to apply to

³⁴ M. Donald Hancock and others, *Politics in Europe* (New York: Chatham House, 2003), 351.

join the EEC along with the other members in order to avoid any threat to its neutrality. They managed to negotiate a way to gain some of the benefits of the EEC without being tied to membership. It wasn't until 1991, after the cold war had ended, that Sweden submitted its application to join the European Community (EC). After accession negotiation and a national referendum in which membership was approved by 52% Sweden joined the EU on January 1, 1995.

Historically the economy in Sweden has also been marked by an ability to find consensus. Labor unions banded together in 1898 to negotiate agreements for all of the member unions. The business did get together in that same year as a response to the labor union's organization. The early 1930's saw a rise in the amount of confrontation in labor relations. After several years of work the two major parties in labor negotiation signed the Basic Agreement (known as the Saltsjobaden Agreement) to secure industrial peace. It became a model for modern Swedish integrative and consensual democracy.³⁵ Another defining element of modern Sweden is its vast welfare programs. Cradle to grave protection that is enjoyed by the Swedish people has evolved over the years. It began with expanded unemployment insurance during great depression. It has continued to expand until today. The Swedish are the

³⁵ Lee Miles, *Sweden and European Integration* (Aldershot: University of Hull, 1997), 8.

highest taxed people in the western world and paid over \$13,000 per person in 1998.³⁶ Despite that fact it is very difficult for the government to cut taxes.³⁷

When Sweden joined the European Union in 1995 she did not opt out of any of requirements of membership. Among those is the requirement that Sweden gives up its currency and join the EMU. Since then this requirement has stirred controversy in the country. With Sweden's long history of independence, neutrality and non-alignment being asked to give up the nation's currency in favor of the Euro has stirred a fierce debate. The issue was about more than the type of money that would be used in business transactions. The economic debate became a side issue. It was an issue of control. In March 2000 the European Commission got involved in a debate over the proposed merger of Swedish truck manufactures Volvo and Scania. As it became increasingly likely that the commission would block the merger one government official was quoted as saying "Swedes will take it badly if two of the country's best know companies are swallowed by foreign rivals because of the commission's actions."³⁸ Sweden and the United Kingdom share a parallel

³⁶ Donald Hancock and others, *Politics in Europe* (New York: Chatham House, 2003), 355.

³⁷ Anthony Giddens, "The left must open up more clear water between itself and its opponents," *The New Statesmen*, November 1, 2004, <http://www.lexisnexis.com.library.lausys.georgetown.edu/us/lnacademic/results/docview> (accessed February 26, 2009).

³⁸ Nicholas George, "Euro rejection proves painless," *The Financial Times* (London), September 13, 2004, 2.

background. In many ways the people share significant portions of a common value system. A strong history of stable democratic government, an orientation toward the world rather than toward “old Europe” and an independent nature are all among shared traits. A British newspaper in an examination of the Swedish after the referendum described the nation as follows:

...large, important and confident, an agenda setting country. It is an outgoing trading nation, with a military tradition that exists alongside an advanced even unmatched, sense of internationalism.³⁹

That description could easily have been written about the United Kingdom. An examination of the Eurobarometer polling of national attitudes toward the Euro showed more striking similarities. The responses of the British and Swedish public ran parallel in this survey just as in the one reflecting confidence in domestic or European democracy. In both polls the population had more confidence their domestic institutions than did either France or Germany. Prime Minister Persson wanted Sweden to join the EMU sooner rather than later. But, Sweden’s economy was in a boom; Europe’s was falling behind. The growing opposition to joining the EMU forced him to have to call for a referendum to determine the fate of the Swedish Krona. For those opposed to the union the issue was clear. A leading Swedish economist pointed out that handing over

³⁹ “Swedish referendum: Judgement on the euro,” *The Guardian (London)*, September 16, 2003, <http://www.lexisnexis.com.library.lausys.georgetown.edu/us/lnacademic/search/> (accessed: April 15, 2009).

control to the European Central Bank would mean that “they are no longer in control of their country.”⁴⁰

**European Commission: Eurobarometer
The Euro: For or against?⁴¹**

	Fall 1997	Fall 1998	Fall 1999	Fall 2000	Fall 2001	Fall 2002	Fall 2003
<u>Germany</u>							
For	40%	54%	55%	47%	60%	62%	60%
Against	45%	32%	36%	44%	31%	30%	33%
<u>France</u>							
For	58%	74%	64%	62%	63%	71%	68%
Against	36%	20%	32%	32%	30%	26%	28%
<u>Sweden</u>							
For	34%	44%	43%	26%	51%	51%	41%
Against	56%	46%	48%	64%	42%	41%	54%
<u>UK</u>							
For	28%	36%	25%	21%	27%	28%	23%
Against	59%	48%	59%	63%	58%	61%	65%
	EB48	EB50	EB52	EB54	EB56	EB58	EB60

When the Danish voted “no” in Denmark’s referendum to determine whether it would join the euro, it was not a positive opening to the debate for supporters of the EMU. Prime Minister Persson’s own Social Democratic party leadership voted support the euro even though sixty percent of their voters

⁴⁰ Alan Crowell, “For Swedes Vote on the Euro is about Independence,” *The New York Times*, September 4, 2003, 14.

⁴¹ European Commission, *Eurobarometer 48-60*, Brussels 1997-2003.

opposed it.⁴² Based on the strength of the opposition leadership of the three major political parties banded together to support the euro.⁴³ Only the Centre Party opposed it. Banking and business again came out in strong support of the “yes” vote. The farmers union announced that it would support the Prime Minister and urge a “yes” vote on the referendum. Once again it was the decision of the leadership to support the “yes” vote despite the fact that polls showed that a majority opposed the euro.⁴⁴ Members of the association of labor unions were simply urged to vote and the association’s leadership refused to support the EMU.⁴⁵ Within the government membership in the EMU was supported by 17 of 22 ministers. Ministers opposed to the euro were rumored to be set to lose their jobs once the vote was known.⁴⁶ Wording of the question in the referendum was debated with the opposition wanting a reference to the

⁴²Christopher Brown-Humes, “Still reeling from Danish ‘no’ vote,” *The Financial Times (London)* October 31, 2000, 5.

⁴³Matts Carlbom, “Yes Parties increase EMU pulse,” *Dagens Nyheter (Stockholm)*, May 9, 2003, <http://www.lexisnexis.com.library.lausys.georgetown.edu/us/Inacademic/search/homesubmitForm.do> (accessed: February 26, 2009).

⁴⁴“Swedish farmers oppose EMU-entry,” *Agra Europe*, June 13, 2003, <http://www.lexisnexis.com.library.lausys.georgetown.edu/us/Inacademic/search/homesubmitForm.do> (accessed: March 10, 2009).

⁴⁵ Christopher Brown-Humes, “Still reeling from Danish ‘no’ vote,” 5.

⁴⁶“Guide to the Swedish EMU Referendum,” *BBC Monitoring Europe (London)*, September 14, 2003, <http://www.lexisnexis.com.library.lausys.georgetown.edu/us/Inacademic/search/> (accessed: March 10, 2009).

European Central Bank.⁴⁷ The mainstream newspapers almost completely supported the EMU and still the opposition remained a consistent ten to fifteen percent ahead in the polls.⁴⁸ In the end Swedish sentiments were best expressed by an ordinary housewife. The final question wasn't about economics; it's a question if the Swedes were ready to give up what they called as follows:

...their special way of welfare, prosperity, independence and harmony in favor of closer bonds with other Europeans. Europe isn't complete or ready yet—maybe in 10, 20, 30 years. We would have to integrate with other countries that will have to catch up to us.⁴⁹

The referendum was held in September 2003 and the “no” vote won by an overwhelming margin. Voters rejected the Euro with 56 percent against and only 42 percent of the public in support of it. Turn out in the referendum was 81 percent of the eligible voters. The margin was so large that the Swedish Prime Minister stated the issue would not be brought back before the public for another ten years.⁵⁰ BBC reporter Stephen Sackur noted in his report on the referendum that the “Swedes have turned out to be an independent lot.”⁵¹ The

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ Crowell, “For Swedes,” 14.

⁵⁰ “Sweden turns back on euro,” *BBC News (London)*, September 15, 2003, <http://news.bbc.co.uk/2/hi/europe/3108616.stm> (accessed: February 26, 2009).

⁵¹ Stephen Sackur, *BBC News (London)*, http://news.bbc.co.uk/media/video/39340000/rm/_39340960_europe18_sackur_vi.ram (accessed: April, 1, 2009).

phrase “independent lot” is another term that could easily describe either the Swedish or the British people.

In the case of the Euro the people of Britain might be a better fit for the term. The official currency of the United Kingdom is the Pound Sterling or more commonly the British Pound. It can trace its origins to the year 1158 and possibly earlier, thus making it the oldest currency still in daily use.⁵²

The British pound is one of the three most popular reserve currencies in the world. With the advent of the Maastricht Treaty and the founding of the Economic and Monetary Union the question was brought before the British government about the future of the British Pound. Should Britain join the Euro? In the 1997 general election campaign New Labour promised that entry into the EMU would depend on a “yes” vote in a referendum.⁵³ At that time the Eurobarometer polling data showed that 60 percent of the British public opposed the Euro. Despite that the government was moving ahead with planning the change to the Euro. The Chancellor of the Exchequer, Gordon Brown, told a conference in November 1998 that he would publish a change over plan detailing how Britain would switch from the pound sterling to the euro.

⁵²Alasdair Rendall, “Economic terms explained,” *BBC News (London)*, http://news.bbc.co.uk/1/hi/programmes/bbc_parliament/7090665.stm (accessed April 1, 2009).

⁵³Richard A. Lofthouse, “Britain, New Labour, Europe and the Euro: Currency Policy and Historical Perspectives,” (Working Paper, Yale University, 1998), <http://www.ciaonet.org.library.lausys.georgetown.edu/wps/lor01/index.html> (accessed: March 17, 2009).

British Secretary of State for Trade and Industry told the same conference that it “would be economic lunacy for the sake of Eurosceptic ideology to marginalize British business on the sidelines of what should be its own market.” He added to that statement the British government supports the principal of the single currency.⁵⁴ German Chancellor Gerhard Schroder told the conference that “we soon hope to be able to welcome the UK into our midst” and then praised the way the Government was “cleverly plotting” Britain’s entry. Webster’s Dictionary defines ‘plotting’ as “to plan or contrive especially in secret.” It was an interesting choice of words and the British press took notice of it.⁵⁵ The Times of London noted the day before the speech that the issue of switching from the Pound to the Euro had changed, “It’s no longer if – but when” the headline announced. Legislation proposed to prepare for the change to the Euro would “reinforce sceptic claims that the Government is steady leading us into the euro ahead of the referendum.”⁵⁶ The plan was never for a quick entry into the EMU. A period of five or six years would be required to prepare for the

⁵⁴ Colin Brown, “Brown edges closer to euro as calls grow for early referendum,” *The Independent (London)*, November 3, 1998, 1.

⁵⁵ Ibid.

⁵⁶ Peter Riddell, “It’s no longer if – but when – Riddell on Monday,” *The Times (London)*, November 2, 1998.

transition. Prime Minister Tony Blair quietly increased his campaigning to spell out the potential benefits of join the Euro.⁵⁷

Why would the British government push the case for the Euro and the Economic and Monetary Union (EMU) when it seemed the electorate wanted nothing to do with it? There was a case to be made for the EMU on economic grounds. Business support for the Euro was true to the economic benefits that could be found by increased access to the markets of Europe. Government circles had concerns about being left out of decisions that would be made before the British could influence them.⁵⁸ All of these factors make a logical case for getting rid of the Pound in favor of the Euro. Government planning clearly indicated they thought that a referendum on the Euro was winnable. Was that the case? Pro-EU states place an emphasis on group solutions to an issue. French farmer's through their unions have blocked roads, overturned British trucks and create havoc in France in opposition to various government policies. The average British citizen values the 'individual' orientation of British business and society. 'There should be a presumption, always and everywhere, against state coercion' and 'freedom must include the freedom to buy and sell without fear' are British values applicable to a definition of Britain's economic attitude. The task of the government would be to change this basic

⁵⁷Steven Castle and Andrew Grice, "EU poll finds British desire for euro at an all time low," *The Independent (London)*, July 25, 2000, 1.

⁵⁸ Peter Riddell, "It's no longer if."

value to get the electorate to approve the transfer of a domestic decision making process to Europe. Transfer it to a European system that 68 percent of the public felt was less trustworthy than Great Britain's own existing democratic system. Would it be a system that would provide the British people with justice? The European Central Bank was established to be independent of political influence, yet was actively being undercut by the French. The problem faced by the British government was that in order to bring Great Britain into the EMU they had to change who the British public had become. During the intervening years public opposition to the Euro increased from 59 percent in 1997 to 65 percent in 2003. Because the decision was made on the assumption that this change was possible, it was a bad decision. Chancellor Gordon Brown announced in 2003 that the time was not right for British entry into the EMU. Five criteria had been established; when those criteria had been met the time would be right to revisit the issue. Over five years later the BBC conducted a poll once again asking the British public what it thought of the Euro. Public opposition to joining the single currency stood at 71 percent and only 23 percent supported the Euro.⁵⁹ Just one month before that European Commission president Jose Manuel Barroso expressed the belief that the United Kingdom was

⁵⁹ "Most Britons 'still oppose euro,'" *BBC News (London)*, January 1, 2009, http://news.bbc.co.uk/2/hi/uk_news/7806936.stm (accessed: January 2, 2009).

“closer than ever” to giving up the pound and that the people that “mattered” in British politics were thinking about giving up the pound.⁶⁰

Debates and disagreements abound among the international leaders as they seek solutions to the issues that they face. When the ordinary citizen feels left out of their decision making process, the question of a democratic deficit within the European Union is born. As the people of Germany and Sweden moved closer to their nation’s decision to join the EMU they traveled a similar path. German pride was framed in the post war success of the Deutschmark in order to ease the shame of the horrors of World War II. Sweden looked back over hundreds of years of democracy, peace and independence. In each country the political and business elite urged closer ties with the rest of Europe. In each case the public opposed their leaders by a large margin. In Germany the people’s confidence in the guardians of the D-Mark gave Chancellor Kohl the opportunity to push his plan through the parliament. The people never had their say. Push as he might Sweden’s Prime Minister Persson could not get past the democratic traditions of his people. The people got their say and Sweden remains outside the EMU. In Great Britain the wheels were set in motion to move the United Kingdom into the EMU. Facing a referendum that they could not win, the government has postponed a decision until the “time is right.” The French Government signed the Maastricht Treaty with provisions to

⁶⁰ “Most Britons ‘still oppose euro,’” *BBC News*.

keep the European Central Bank free from political influence. Then they told their citizens that fact was not true, and the government has been working to undermine that provision ever since. The French population was not given a chance to vote on the issue. By December 2006 52 percent of the French public thought that the Euro had been a 'bad thing' for France and that 58 percent of the German public wanted the Deutschmark back again.⁶¹ Despite how far the European Union has come they still have a long way to go.

⁶¹ "Most French oppose euro," *Xinhua News Agency*, December 28, 2006.

CHAPTER 4

THE EUROPEAN CONSTITUTION

Signed in 1957 the Treaty of Rome established the European Economic Community (EEC) for the purpose of improving the economic welfare of its citizens. The community was a customs union. However, the preamble to the treaty also referred to political goals of the treaty. Contained in the preamble was the statement that the community was "determined to lay the foundations of an ever closer union among the peoples of Europe." Returning to Rome 47 years later the members of the European Union signed the Treaty establishing a Constitution for Europe. This event marked the pinnacle of the evolution to create a closer union among the nations of Europe. In many ways this may have been the first step in the creation of a super state. The entity created by this document had a president, a legislature, the ability to conduct international relations on behalf of its members and a national holiday. You could listen to its official anthem or contemplate the meaning of its motto. Webster's Dictionary defines a nation as "a community of people composed of one or more nationalities and possessing a more or less defined territory and government" and it defines a state as "a politically organized body of people usually occupying a definite territory." Based on those definitions the European Union would qualify as either a nation and/or a state.

In the darkest days of the American Civil War President Abraham Lincoln stood on the battlefield at Gettysburg to dedicate a cemetery to the Union troops who had fought and died there. The President told the crowd that a government “of the people, by the people, for the people shall not perish from this earth.” Unfortunately, the entity created by the evolution of the European Union from the Treaty of Rome to the Treaty establishing a Constitution for Europe would not meet any of the three conditions set out by President Lincoln.

Until 1985 or so, we did what we wanted. Created a Common Market, the Council of Europe, elected a parliament, created the foundation for a common currency. So we had completed quite a journey, up until the mid – 1980’s. And then? It got more difficult. Britain was fairly cooperative until the 1980’s. But when Madame Thatcher arrived there was a very marked toughening. Then there was the big tremor of ’89 and ’90. Then with the fall of the Berlin wall, we went from a Western Europe to a full Europe. You could say Europe had pretty much obtained its balance at twelve (12) members.¹

With those words former French President, and father of the European Constitution, Valry Giscard d’Estaing described the path that European integration has taken in the last twenty years. Prime Minister Thatcher was the first bump in the road. She was concerned that underlying all of the policies of the European Community was a tendency to be “interventionist, protectionist, and ultimately federalist.”² In a speech in front of the West German Federal

¹ Tracy McNicoll, The Lack of Vision Thing; The father of a hoped for EU constitution on how weak statesmen, befuddled youth and the arrival of pesky little states disrupted his dream for Europe, *Newsweek*, March 27, 2007.

² Thatcher, *The Downing Street Years*, 61.

Chancellor Helmut Schmidt the Prime Minister spelled out her policy by saying; “I intend to be very discriminating in judging what are British interests and I shall be resolute in defending them.”³ The British government fought for years to get the rebate it won at Fontainebleau. A more significant issue to the future of the European Union would be the negotiations leading up to the Treaty on European Union, commonly known as The Maastricht Treaty. Many of the issues that are part of this document were proverbial ‘lines in the sand’ for Margaret Thatcher. To address these concerns the British were able to secure exemption clauses or ‘opt-outs’ that required a unanimous decision for all of these issues. This effectively prevented the European Union from becoming involved in these areas of concern. Fiscal provisions, areas related to the free movement of people and the rights or interest of workers were some of the areas protected. On November 20, 1991 Margaret Thatcher, now the former Prime Minister, addressed these issues in a speech before the House of Commons. “Countries with a history and a tradition such as Britain’s cannot allow their hands to be tied on defense and on foreign policy by making them or their implementation subject to majority voting.”⁴ Stating that she did not want federalism she explained:

³ Ibid., 34.

⁴ Thatcher, Speech to the House of Commons, November 20, 1991. *Parliamentary Debates*, Commons, vol. 199 (1991-92), cols.290-98.

I believe that the majority of the British people do not want to hand over substantially more power to the European Community. I believe that our objective must be to hold up the sovereignty of Parliament which has served us so well.⁵

The “most dangerous” in Mrs. Thatcher opinion was the Economic and Monetary Union saying that the issue “goes to the heart of our parliamentary tradition”:

Money Bills and the general economic policy are the exclusive responsibility of the elected House. We are not, in my view, entitled ever to give away the people’s rights, which is what the single currency would mean.⁶

The former Prime Minister was aware of where her power had come from. “Our authority comes from the ballot box” she noted then continued that “what we are talking about are the rights of the British people to govern themselves under their own laws, made in their own Parliament.”⁷ In a few short words Margaret Thatcher summed up the question that had, and would, vex the European community right on through the debate surrounding the European Constitution. To give powers such as these away to the European Community required a referendum. Her arguments in favor of this stand were powerful:

Anyone who does not consider a referendum necessary must explain how the voice of the people shall be heard. Therefore, I conclude that we should let the people speak. If not, we shall deprive them of their say

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

on rights which we are taking away not only from them but from future generations and which, once gone, cannot be restored. A referendum may not be popular with some members of my party, but I doubt they have thought it through.⁸

The basic purpose of the European Constitution was to simplify the workings of the European Union. It was supposed to make reaching decisions easier, address the expansion of the union by re-balancing the representational mathematics and simplify foreign policy within the European Union. They were all practical goals for the treaty. But, something went wrong. Valery Giscard d'Estaing, a former French president, described the European Constitution "as perfect as, perhaps less elegant than, the Constitution of the United States of America."⁹ In the campaign preceding the French referendum to ratify the European Constitution every French citizen received a complete copy of the document. It was 191 pages long. In its original hand written form the Constitution of the United States of America is four pages long. The French booklet contained 87 pages of constitutional text. The other 94 pages were protocols, annexes and a final act. The French campaign against the constitution pointed out that Napoleon thought a good constitution should be "short and obscure" adding that "With this one, we only have obscurity."¹⁰ The

⁸ Ibid.

⁹ Elaine Sciolino, "European Charter Architect Faults Chirac for Its Rejection," *New York Times*, June 15, 2005.

¹⁰ Nicolas de Boisgrollier, *Will the EU Constitution Survive the Referendum in France*, (Washington DC: The Brookings Institute, 2005), 5.

eventual defeat of the constitution led to the creation of a shorter version that dropped the pretense of being a constitution. This treaty is known as the Treaty of Lisbon. Before the Irish referendum on the treaty one business leader described this shorter version as “unintelligible drivel.”¹¹ Facing a well documented concern about the ‘democratic deficit’ and issues of transparency, getting the public to believe in either document was going to be a challenge.

In order understand the circumstance surrounding the debate over the European Constitution and the Treaty of Lisbon; we need to understand something about who the European electorate was. The Eurobarometer asks the citizen of the member states a series of questions in order to better gauge public sentiment in the Union. Eurobarometer 63 was release in September 2005. The following questions were asked as part of that survey:¹²

<u>Tends to agree with the statement that “My voice counts in the EU”¹³.</u>			
France	UK	Ireland	Netherlands
58%	26%	33%	54%
<u>Are you satisfied with the way democracy works in your county?¹⁴</u>			
France	UK	Ireland	Netherlands
53%	60%	71%	74%

¹¹ Charles Forelle, “Irish Ire May Stall Treaty Overhauling How EU Works,” *Wall Street Journal*, May 22, 2008.

¹² European Commission, *Eurobarometer 63 Public Opinion in the European Union*, Brussels, 2005.

¹³ *Ibid.*, 19.

¹⁴ *Ibid.*, 21.

Are you satisfied with the way democracy works in the EU?¹⁵

France	UK	Ireland	Netherlands
42%	41%	61%	41%

Membership in the European Union: A good thing?¹⁶

France	UK	Ireland	Netherlands
56%	38%	75%	71%

Tends to trust the European Union?¹⁷

France	UK	Ireland	Netherlands
39%	27%	48%	42%

How attached do you feel to (percent that feel attached):¹⁸

Your County?

France	UK	Ireland	Netherlands
93%	87%	94%	83%

To Europe?

France	UK	Ireland	Netherlands
64%	47%	69%	68%

These numbers clearly illustrate a disconnection between the public and the European Union. Only 58 percent of the French public felt that their voices were heard by the EU. This is the highest in the group and it comes from a nation that built the EU to reflect its own image of Europe. Only small percentages of the British or Irish population felt their voices were heard. Confidence in national democracy is significantly larger than in European democracy. Trust in the European Union was very low across the board. Even in nations that displayed

¹⁵ Ibid., 23.

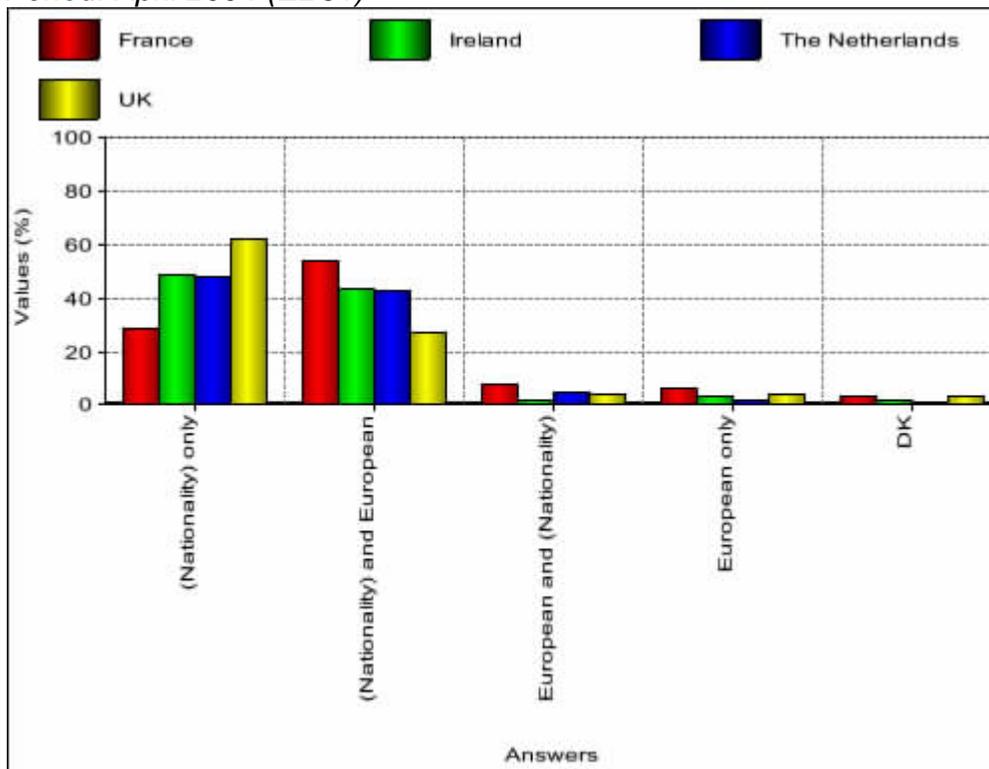
¹⁶ Ibid., 94.

¹⁷ Ibid., 105.

¹⁸ Ibid., 340.

the greatest trust in the EU the percentage was still below fifty percent of the population. The most dramatic differences are shown in the numbers associated with the population's attachment to either the European Union or the individual nation. This is supported by survey results from the Eurobarometer released in April 2004 (EB61):¹⁹

In the near future do you see yourself as...?
 Period: April 2004 (EB61)



People were asked if they identified themselves solely by their nationality.

Identified primarily by their nationality and then as European. Primarily having a

¹⁹ European Commission, *Eurobarometer 61*, Brussels 2004, http://ec.europa.eu/public_opinion/cf/index_en.cfm (accessed: April 8, 2009).

European identity and only then identified by their nationality. Lastly were the people that claimed only a European identity. People that claimed their nationality as the sole or the primary identity were over 80 percent of the population of each of these states. The percentage that answered either as European first or only European was a negligible percentage of the population. Despite the expansion of the European Union throughout the continent the growth has not changed how the people identify themselves. The factors that are important to the majority of the electorate are still the traditional values of personal identification. This is how I see myself and this is what matters to me. I am French, British, Irish or Dutch. This was the basis upon which the European Constitution was to be judged when it faced the voters.

France was to be the first true test of the European Constitution before the voters. The treaty had been ratified by the legislatures of six nations before the French vote. In Spain the voters had approved it in a referendum with over 73 percent of the public voting for the treaty. The main criticism of this vote had been the low voter turnout of only of just over 42 percent. As the debate over the single currency had raged across Europe, polls indicated that 79 percent of Germans, 76 percent of British and 66 percent of French wanted the opportunity to vote on the Euro. In contrast elections for the European Parliament generated very poor voter participation percentages. Only 33 percent of either the French or the Germans bothered to vote and in the United

Kingdom the numbers were below 30 percent in the Parliamentary elections held in 2004.²⁰ On May 29, 2005 the referendum was held in France to approve the European Constitution. When the last ballot had been counted the treaty was defeated by a vote of 55 percent against the treaty and only 38 percent for the treaty. Participation in the referendum amounted to 66 percent of eligible voters. It was an overwhelming defeat for the treaty in a referendum that had large turnout and it was a stunning surprise. Commentators noted that the document was “essentially a French document, written by former French President Valery Giscard d’Estaing in line with the French vision of Europe, and it had virtually unanimous support of the country’s media and political elite.”²¹ Much of the analysis after the referendum pointed to economic concerns or unemployment as a major factor in the vote against the treaty. Is there a connection? French identity is community oriented. Post war France has established a social system to protect the workers. As we have seen the workers have a tremendous ability to influence that system. Protests, strikes and the ballot boxes all are direct conduits to express opinions to the French government. That is where, the people believe, the solution can be found. Their ability to influence a German banker or a Belgian bureaucrat is very restricted. Under pressure they see themselves as French. That is their culture,

²⁰ Michel Gurfinkle, “Europe’s ‘No,’” *Commentary*, July/August 2005, 39.

²¹ John O’Sullivan, “Not the Answer They Expected,” *National Review*, 18.

their vision and their heritage. In all practicality the EU has not proven reliable. The agreements were sold to the public with the promise of the ability for the French to influence policy, but they never should have had that ability. The Stability Pact was signed to create the necessary environment for the Economic and Monetary Union to work. Yet it was dismissed when it no longer suited the politicians. There are too many competing identity systems for a cohesive European policy to be effective. Another classic example of this was the concern expressed over the “Anglo-Saxon” economic model - a system based on more liberal free trade and competition with less protectionism. Part of the campaign was used to point out the potential for the British economic system to be imposed on the French. Whether it was ever a true threat is open for debate. However, that system does not reflect the identity of the French and was seen as a problem. Creating a Constitution for Europe would conflict with the basic interest and identity of the average French voter. The divide between the average Frenchman and the French elite was clearly shown by the fact that despite the treaty being so soundly defeated nationwide that over 63 percent of the voter in the nation’s capital voted in favor of the treaty.²²

Shortly after the constitution failed in the French referendum it faced a second vote in The Netherlands. Again this was a nation that had been a

²² Sharad Joshi, EU Constitution: Why the French voted ‘no’, *Businessline*, June 29, 2005, 1.

founding member of the European Economic Community. It traditionally had high poll numbers that felt membership in the European Union was a benefit for the country. This would be the first referendum for the Dutch in over two hundred years. The Dutch, like the British were concerned about the size of their contribution to the EU budget. Opposition to the treaty also focused on a European Union driven by France and Germany that could result in the loss of domestic control. It was here that the issue of the Stability Pact also entered the Dutch campaign:

They saw the rewriting of the stability pact rules by countries like France and Germany, who insisted on these rules in the first place, as proof of the fact that smaller countries like the Netherlands would only lose influence in the quest for further integration.²³

Pim Fortuyn, a popular Dutch figure, criticized the European Union “for being a toy for the political elites and civil servants, detested by the people for its largeness of scale, bureaucracy and megalomania.”²⁴ The same concerns the French had about cheap workers taking over their jobs, became an economic issue in the Dutch debate. When the voting was complete the Dutch had rejected the treaty with 61 percent voting against it. It was defeated by a larger percentage than in France.

²³ Peter Hylarrides, *Voters in the Netherlands Defy the European Constitution*, *Contemporary Review*, August 2005, 88.

²⁴ *Ibid.*

Historically the Dutch were a trading and seafaring nation in the same way as the United Kingdom. As a small state they had been quickly overrun by German forces in World War II and then occupied in same manner as France. The Dutch had sought security in the post-war era the same way the French had, through integration with the other states of Europe. A strong culture and unique history separate the people of the Netherlands from many of its neighbors. However, in this referendum the separation of the people's identity and values from those of the national leaders was notable. The constitution was supported by 85 percent of the political parties, businesses, unions and a majority of the media.²⁵ The constitution threatened to take away, or alter forever, those things that made the Dutch voters who they are. The treaty presented a challenge to their identity and, if approved, they could lose control over the political process.

Having failed in two referendums the constitution was technically dead. Adoption of the treaty required ratification by all member states. In spite of these facts leaders of the European Union urged the ratification process to continue. The Constitution was put on hold to allow for a time of reflection in order to consider the future of the treaty. For a British government that supported the treaty this was a blessing in disguise. Prime Minister Tony Blair,

²⁵ Ibid.,89.

in a reversal of his earlier opposition, promised a referendum on the European Constitution. The promise was made despite the fact that opinion polls showed the British public opposed the treaty. Polls showed that up to 71 percent of the public opposed the European Constitution.²⁶ In a separate survey approximately 40 percent of the British would vote to leave the EU. This survey also confirmed that an “overwhelming majority” opposed the constitution.²⁷ You are the Prime Minister of Great Britain and have decided to allow a referendum on the unpopular European Constitution. What could your plan be if the Constitution fails? Ignore the vote and make them vote again. That is exactly what the government of Tony Blair had planned to do.²⁸ He was simply following in a European tradition known as the “re-vote.”

Viewed from abroad, the EU innovation of the ‘re-vote’ – simply ignoring referendum results that are unpleasant and resubmitting with superficial changes until the citizens can no longer muster the energy to resist them – played a pivotal role.²⁹

Fortunately the French and Dutch saved the British government from that dilemma. The reaction from the leaders of Europe was equally consistent.

²⁶ Fraser Nelson, “Scots Lead Opposition to European Constitution,” *The Scotsman (Edinburgh)*, April 26, 2004, 10.

²⁷ Charles Grant, “What if the British Vote No?,” *Foreign Affairs (New York)*, May/June 2005, 86.

²⁸ George Jones and Toby Helm, “Vote No on Europe and a second referendum will be held, says Blair,” *The Daily Telegraph (London)*, April 22, 2004, 2.

²⁹ Christopher Caldwell, “Europe Shocks True Democrats,” *The Times (London)*, June 4, 2005, 13.

Each of the nations of Europe would send two representatives to meet, *in secret*, in order to create a road map for the future.³⁰

The revised Constitution became known as the Lisbon Treaty. It dropped all reference to a constitution, but kept most of the rest of the original treaty intact. Irish Prime Minister Bertie Ahern admitted that the new treaty was 90 percent of the original constitution.³¹ Unlike the European Constitution, the Treaty of Lisbon was designed to avoid the need for any referendums. The treaty was constructed as a series of amendments to existing documents and would not need to be put to a referendum. Knowing that this treaty did not stand any better chance of success than the constitution, the British government made great use of this explanation.³² However, the Irish still did need to vote in order to amend the Irish Constitution. The referendum was scheduled for June 12, 2008 and the treaty was expected to pass. A campaign against the treaty was well organized. Opponents focused on threats to Irish neutrality, the loss of influence in the European Union, changes to corporate tax rate and enlargement.³³ One Irish newspaper noted in an editorial opposed to the treaty:

³⁰ "Constitutional Conundrum," *The Economist (US)*, March 17, 2007, <http://www.lexisnexis.com.library.lausys.georgetown.edu/us/Inacademic/results/docview/docview.do> (accessed: April 1, 2009).

³¹ "Give Europe a say; The European Treaty," *The Economist*, October 27, 2007, 1.

³² "Push-pull; Britain and Europe," *The Economist*, January 28, 2008, 32.

³³ "Irish 'No' challenges EU credibility," *OxResearch (Oxford)*, June 16, 2008, 1.

This case has nothing to do with battle groups or neutrality or dilution of Ireland's clout in Europe, or even tax policy. It has to do, however, with a fundamental issue, one for which the Euro elite have contempt. It is simply this: the Lisbon Treaty is entirely incomprehensible. It is incomprehensible not just to ordinary citizens but even to conscientious citizens - because the treaty is gobbledegook on its own, and is intelligible only by going through it and all the other EU treaties at the same time.³⁴

In conclusion the editorial noted that the European Union had “scorn for everyone” and that they “don’t care.” Another editorial warned that “Lisbon would turn Ireland into a province or region of an EU super-state and make us citizens of it first rather than of our Republic.”³⁵ In the paper’s opinion the motivation behind the Lisbon Treaty was that the founding members of the European Community had decided “that if they could no longer be big powers individually on their own, they would seek to be a big power collectively.”³⁶ Ireland defeated the Lisbon Treaty 53 percent to 47 percent. The defeat caused a new crisis within the European Union as the “elite” calling for yet another “re-vote.” This crisis has yet to be settled.

³⁴ Vincent Brown, “Gobbledegook and the case against Lisbon Treaty,” *The Irish Times (Dublin)*, March 5, 2008, 15.

³⁵ Anthony Coughlan, “Vote No to Lisbon Treaty and reject European federal state,” *The Irish Times (Dublin)*, May 16, 2008, 15.

³⁶ Antony Coughlan, “Vote No to Lisbon Treaty”, 15.

CHAPTER 5

CONCLUSION

European integration began as an effort to solve the economic problems of post-war Europe. Working together they hoped to bring bounty to areas where there was a need and to redirect resources from areas where bounty was becoming a problem. As Europe has progressed from the European Coal and Steel Community to today's European Union, the original goals have been lost in the ever-expanding realm of European central control. The gradual increase in the reach of European integration has been matched with a compatible increase in skepticism on the part of the general public.

"We the people of the United States, in order to form a more perfect union" are the words that begin the Preamble of the United States Constitution. These words carry a very special meaning to the citizens of the United States. Over the years these few words have come to represent basic democratic principles in government. As Europe has become more integrated, these words have lost some of their meaning to the people of Europe. The Maastricht Treaty was barely passed by the citizens of France despite the fact that its primary authors were French. Referendums on the European Monetary Union (EMU) and the Euro have failed. So have referendums on the European Constitution and the Lisbon Treaty. Some of the explanations for these results have blamed economic factors, domestic politics, poorly managed campaigns,

enlargement and a lack of knowledge on the topic. There is some truth in each of these reasons. However, there is a large part of the story that has been left out. After the defeat of the European Constitution Jean-Claude Juncker, President of the EU said that “No” really means “Yes.” Countries that voted the ‘wrong’ way would just have to vote again until they came up with the ‘right’ answer.¹ Determined to revive the European Constitution after its defeat, German Chancellor Angela Merkel explained that the “People must trust us.”² British Prime Minister Tony Blair even suggested that one option would be “to plough on regardless, as though the votes hadn’t happened.”³ After the Irish defeated the Lisbon Treaty the push was to continue with the ratification process and get the Irish to vote again. The reaction of British Foreign Secretary David Miliband was not typical when he warned “There will be no bulldozing of the Irish government and the Irish people.”⁴ There have been more frequent discussions about a democratic deficit and its meaning within the European Community. Vaclav Klaus, President of the Czech Republic, defined

¹ Anthony Brown, “Now for the British revolution,” *The Spectator (London)*, June 4, 2005, 12.

² Andrew Moravcsik, “No Power to the People,” *Newsweek (Int. Ed.)*, February 5, 2007, <http://proquest.umi.com.library.lausys.georgetown.edu/pqdweb?did=1205700251&sid=2> (accessed March 30, 2009).

³ James Blitz, Andrew Gowers and Phillip Stephens, “Crisis in EU Constitution seen as chance for fresh start,” *Financial Times (London)*, June 7, 2005, 3.

⁴ “European Union Softens Stance on Ireland over Rejection,” *Wall Street Journal*, June 17, 2008, A13.

the democratic deficit as the “growing distance between the citizens of the EU member states and the EU political elite, as well as in the shift of decision making from the member states' capitals to Brussels.”⁵ The President also noted that “about 75% of legislation was made in EU by unelected officials.”⁶ The Irish Times noted that “one does not have to be a paranoid Europhobe to fear that what politicians and officials get up to in Brussels is bad for democracy” and that these officials are actively working to reverse any trend that makes the people in power more accountable to the voters.⁷ The Lisbon Treaty seeks to address some of the concerns surrounding the democratic deficit through various means, including increasing the involvement of the National Parliaments and increasing the decision making powers of the European Parliament. Will the changes written into the Lisbon Treaty truly address the issue of the democratic deficit? A case can be made that if there is a democratic deficit within the European Union, the Lisbon Treaty will help. However, it has also been pointed out that the reduced role of the parliaments

⁵ Bojan Pancevski, “Brussels ‘like failed Soviet states’,” *The Sunday Times* (London), March 22, 2009, <http://www.lexisnexis.com.library.lausys.georgetown.edu/us/lnacademic/results> (accessed June 30, 2009).

⁶ *Ibid.*

⁷ “EU needs to gain acceptance and understanding from voters,” *Irish Times*, August 6, 2008, <http://0-www.lexisnexis.com.library.lausys.georgetown.edu/us/lnacademic/results> (accessed June 30, 2009).

and the increase in executive powers within the national governments might be more responsible for the “democratic deficit.”⁸

There certainly is a deficit; however, democracy has not been it. If it were simply a lack of democracy in those cases where democracy has become part of the process, the balance would have been restored. But when the presence of democracy has come into the system, even for a short period of time, there hasn't been any indication of a return toward balance. One of the purest forms of democracy in action is the plebiscite or referendum, the opportunity for the citizens to directly express their individual opinions on an issue or decision that their government faces. The result of the vote decides the question or obligates the national leadership to follow the course of action indicated by the result of the vote. This is democracy in action. If this were where the process ended, then the system would be in balance. When a vote is followed by the political leadership's discussion of a “right” way and a “wrong” to vote, it reflects a lack of respect for the power of the people at the ballot box. What frequently comes next within the European Union are a series of actions to neutralize the results of the referendum, in order to continue along the original course. The message is clear; “we” lead and “you” simply are led. Given that what we see is not a lack of democracy, or the proverbial democratic deficit, then what is the problem?

⁸ Paul Gillespie, “Treaty tackles EU 'democratic deficit' issue,” *Irish Times*, May 31, 2008, <http://0-www.lexisnexis.com.library.lausys.georgetown.edu/us/Inacademic/results> (accessed June 30, 2009).

The deficit that is seen within the European Union is of communication, or understanding, on the part of its leadership for the values of the citizen of its member states. Belief that their country has benefited from membership in the EU stands at 89 percent of the “national elite”, while only 63 percent of the public does. Belief that membership in the EU is a “good thing” is 93 percent of the “national elite”, while only 58 percent of the public feel the same way.⁹ In order to explain why referendums that have significant establishment support are defeated by lopsided votes we need to look at the people themselves. To understand the voters we need to be able to find a foundation built with their own vision of the world. Understanding the identity of the people provides us with that tool. The question is who are the British, or the French? Upon what basis does the public evaluate what is in their or their nation’s best interest? Why does the French government defend the Common Agricultural Policy at all cost? What would make De Gaulle even consider trading away French sovereignty? The French people believe an important part of their identity comes from cultural heritage. Their culture is tied to the country, the land, the food and the image of the peasant farmer. Hundreds of years of history have reinforced that connection. Add to that the fact the farmers have organized into a political force. A policy that is perceived to be in conflict with something as

⁹ “European Union: Public lags elites in EU support,” *OxResearch (Oxford)*, January 15, 2008, 1.

basic as anyone's image of their own identity, or their place in the world, becomes a threat.

The government is forced to maintain a policy in harmony with the people or be voted out of office. Here the voice of the people at the ballot box is still heard loud and clear. At the European level those same protections do not exist and here a democratic deficit does exist in the European Union. The value of the individual vote, the individual opinion, is decreased by the ever-increasing volume of voices within the Union. Based on their national origin or their own bureaucratic agenda, these voices drown out the individual citizen at the European level. It is only within the individual nation-state that the voices of the individuals are heard. We have seen that a referendum reflects directly the opinion of a nation's citizens on a specific issue. When the government fails to maintain a path compatible with the public's identity, a conflict arises and referendums fail. In the case of the Common Agricultural Policy the issue was so basic to what it means to be French that a separation of government policy from the public's values was not possible. The result is that to this day agricultural issues that affect France generate great scrutiny at the E.U. level and are still a vital national interest for the French.

If you use the word "fairness" in a conversation with the British you will get their full attention. To understand why it is so important, we will have to understand the ties between British history and the people of the United

Kingdom. In Britain the public has a long history of consistent representative government that goes back hundreds of years. The rights of people have been written down and recognized for just as long. Your rights are respected and you respect other people's rights. Standing in the "queue" to wait for your turn is the accepted practice across the United Kingdom. It is fairness and respect in action. If the British did not already have an established system of representation when the people of Boston threw the tea into the harbor, the phrase "taxation without representation" would never have existed. Guarantors and protectors of those rights throughout history are the institutions of the United Kingdom's government. As much as being French is defined by their culture, the British expect the concept of "rights" and "fairness" to have meaning. Hundreds of years of history tell them it does. The people have a system that history tells them to trust. Trust in anything, or anyone, is earned. Efforts in Europe to increase integration represent an effort to dismantle vital institutions that the people trust and represent a threat to the foundational structure of the British identity.

One of the popular explanations for the French defeat of the European Constitution was a concern by the voters about economic issues and the "Anglo-Saxon" economic model. A voter in France will look toward a community solution aimed at the welfare of the workers. The British voter, who is equally concerned about the French social model, is concerned about its

impact on his freedom. This difference in the view of the world can be understood when looking at how the French and British views contrast when looking at artistic culture. “The artist gives to life, as to the world, flavor, sense and beauty” noted French President Chirac. British culture minister Tessa Jowell noted that the “UK has some of the most talented and exciting artists” and that they “contribute massively to our economy.”¹⁰

Much as there is a hierarchy of needs, there exists a hierarchy in the national identity of a people. Threaten the most basic elements of that identity and the reaction that is generated is a “life and death” response. Lesser elements of the identity generate a smaller, less intense response. In the debates that surrounded the issues along the path to increased political integration within Europe the intensity of the reaction to the issue demonstrates that correlation. Italian wine threatens French wine and the laws cease to have meaning. Wine is destroyed, borders are blocked and free trade between the nations of Europe is thrown out the window. The threat is more basic. Divergent values surrounding competing economic models don’t generate open warfare.

Vivien A. Schmidt examined the relationship between the “elite” of France and the questions surrounding the French referendum on the European Constitution. During that examination it was noted that a large percentage of

¹⁰ “Still defended; The French exception,” *The Economist (US)*, July 19, 2003, <http://find.galegroup.com/itx/start.do?portId=ITOF> (accessed March 16, 2009).

French citizens both before and after the referendum felt that the European Union needed a constitution. Yet France had failed to pass the referendum. The issue was not the concept of a constitution, but the content of this constitution.¹¹ If it was the content of the treaty, then what were the issues? French public opinion in the constitutional debate was the topic that Jocelyn A. J. Evans looked at in “The European dimension in French public opinion.” Five general areas of concern were narrowed down to four primary concerns based on survey data. Social protection (reduction of social protection), immigration (increased number of immigrants), national identity (loss of national identity and culture) and a concern about payments (France paying for other countries) were the most frequently identified areas for a European threat.¹² Each one of these areas matches well with the identity system for France that we have used in this discussion. Of these four issues the concerns among the French over the loss of social protection demonstrated an ability to cross the line between the pro-European and the anti-European blocks.¹³ This provided more proof that the rejection of the referendum was issue-based, not based on anti-

¹¹ Vivien A. Schmidt, “Trapped by their ideas: French elites discourse of European integration and globalization,” in *France and the European Union*, ed. Emiliano Grossman (London: Routledge, 2008), 13-14.

¹² Jocelyn A. J. Evans, “The European dimension in French public opinion,” in *France and the European Union*, ed. Emiliano Grossman (London: Routledge, 2008), 113.

¹³ *Ibid.*, 114.

European feeling. Vivien Schmidt's finding also agreed with the conclusion that the referendum's results were issue-based. Voting intentions reflected concerns about the European Union's effect on social/welfare issues as much as they reflected the issues of identity and sovereignty.¹⁴ In conclusions it was noted as follows:

...the French public clearly sees that France now no longer leads Europe, French identity is in crisis, French sovereignty is in question and the French economy is not doing so well.¹⁵

In the European Union the visions of its people are as diverse as the variety of the nations that make up Europe. The nation state is the guardian of the individual identities and it is there that they gain their tangible form. The EU has not been, and probably never will be, able to balance the identities of its national citizens. Continued European integration, with the transfer of sovereignty to the European Union, can represent a threat to the identity of its citizens and the nation state itself. Examination of the relationship between the people and the issues of integration within Europe is a reliable method of explaining the reluctance of the people of various nations to support increased political integration. When the actions of the national leadership are inconsistent with the public's definition of its own values, a referendum becomes an obstacle in the way of European integration. When the position and actions of the

¹⁴ Schmidt, 14.

¹⁵ Schmidt, 16.

government are consistent with the public's identification / value system there is no challenge to the plans of the national leaders and therefore a referendum is not a threat. Increased political integration within Europe is a political goal of the 'elite' within Europe and is seen as a threat in nations with strong national identity systems. Valry Giscard d'Estaing, former French President and author of the European Constitution, observed that "When the state isn't visionary, the people have no vision."¹⁶ The reverse is the truth. When the people aren't visionary, the state has no vision. It is through the ability to understand the comparative identification and value systems of the people that we can understand why the elites see the voice of the people as a threat to the European Union.

¹⁶ Tracy McNicoll, "The Lack of Vision Thing," *Newsweek (Int,Ed.)*, March 27, 2007, <http://proquest.umi.com.library.lausys.georgetown.edu/pqdweb?did=1205700251&sid=2> (accessed March 30,2009).

BIBLIOGRAPHY

- Agra Europe. "Swedish farmers oppose EMU-entry," June 13, 2003.
<http://www.lexisnexis.com.library.lausys.georgetown.edu/us/Inacademic/search/homesubmitForm.do> (accessed: March 10, 2009).
- Brown, Anthony. "Now for the British revolution," *The Spectator*, June 4, 2005.
McNicoll, Tracy. "The Lack of Vision Thing," *Newsweek*, March 27, 2007.
<http://proquest.umi.com.library.lausys.georgetown.edu/pqdweb?did=1205700251&sid=2> (accessed March 30, 2009).
- Coward, Noel. "Mad Dogs and Englishman." http://www.traditionalmusic.co.uk/folk-song-lyrics/Mad_Dogs_and_Englishmen.htm (accessed September 24, 2008).
- Crumley, Bruce. "Why the French Love to Strike." *Time*, April 16, 2009.
<http://www.time.com/time/world/article/0,8599,1891775,00.html>
(accessed April 19, 2009).
- de Boisgrollier, Nicolas. "Will the EU Constitution Survive the Referendum in France," (Washington DC: The Brookings Institute, 2005).
- Duckenfield, Mark. "Bundesbank-government relations in Germany in the 1990s: from GEMU to EMU." *West European Politics*, v22 i3. July 1999.
- Dyson, Kenneth. "The Franco-German relationship and economic and monetary union: using Europe to 'bind Leviathan'", *West European Politics*, v22i1. January 1999.
- Economist, The*. "Still Defended; The French exception," July 19, 2003.
- Economist, The*. "Chirac at Bay." June 25, 2005.
- Economist, The*. "Another splendid compromise forged in Brussels; At last, a deal on the EU budget," December 19, 2005,
http://www.accessmylibrary.com/coms2/summary_0286-12185179_ITM
(accessed March 18, 2009).
- Economist, The*. "Europe: Let them eat Foie gras", June 21, 2003.

- Economist, The*. "Is Kohl in Control?", February 15, 1997.
<http://www.lexisnexis.com.library.lausys.georgetown.edu/us/Inacademic/search/homesubmitForm.do> (accessed April 14, 2009).
- Economist, The*. "Germany, EMU and the D-mark: Super-salesman required," September 16, 1995.
- Economist, The*. "Doubts, hesitancy, determination: Germany and the EMU," February 14, 1998.
- Economist, The*. "Constitutional Conundrum", March 17, 2007,
<http://www.lexisnexis.com.library.lausys.georgetown.edu/us/Inacademic/results/docview/docview.do> (accessed: April 1, 2009).
- Economist, The*. "Push-pull; Britain and Europe," January 28, 2008.
- Economist, The*. "Give Europe a say; The European Treaty," October 27, 2007.
- European Commission Directorate-General for Agriculture and Rural Development. *The Common Agricultural Policy Explained*. Brussels, 2007.
- European Commission. *Eurobarometer 1*, Brussels, 1974.
- European Commission. *Eurobarometer 12*, Brussels, 1979.
- European Commission. *Eurobarometer 25*, Brussels, 1986.
- European Commission. *Eurobarometer 43*, Brussels, 1995.
- European Commission. *Eurobarometer 61*, Brussels, 2004.
- European Commission. *Eurobarometer 62*, Brussels, 2005.
- European Commission. *Eurobarometer 63*, Brussels, 2005.
- Evans, Jocelyn A. J. "The European dimension in French public opinion." In *France and the European Union*, edited by Emiliano Grossman, 107-125. London: Routledge, 2008.

- Fearne, Andrew. "The History and Development of the CAP 1945-1985." In *Common Agricultural Policy and the World Economy – Essays in Honour of John Ashton*, edited by C. Riston and D. Harvey, 20-33. Wallingford Oxon, UK: CAB International, 1991.
- Feldstein, Martin. "EMU and international conflict", *Foreign Affairs*, v75 n6. Nov-Dec 1997.
- Giddens, Anthony. "The left must open up more clear water between itself and its opponents," *The New Statesmen*, November 1, 2004.
<http://www.lexisnexis.com.library.lausys.georgetown.edu/us/Inacademic/results/docview> (accessed February 26, 2009).
- Gurfinkle, Michel. "Europe's 'No'," *Commentary*, July/August 2005.
- Hancock, M. Donald. *Politics in Europe*. New York: Chatham House Publications, 2003.
- Hylarrides, Peter. "Voters in the Netherlands Defy the European Constitution," *Contemporary Review*, August 2005.
- Jones, Alistair. *Britain and the European Union*, Edinburgh: Edinburgh University Press, 2007.
- Joshi, Sharad. "EU Constitution: Why the French voted 'no'," *Businessline*, June 29, 2005.
- Kaltentaler, Karl. *Germany and the Politics of Europe's Money*. (Durham: Duke University Press, 1998).
- Lofthouse, Richard A. "Britain, New Labour, Europe and the Euro: Currency Policy and Historical Perspectives," (Working Paper, Yale University, 1998).
- McKay, David. "The Political Sustainability of the European Monetary Union," *British Journal of Political Science*, v29 i3, July 1999.
- McNicoll, Tracy. "The Lack of Vision Thing; The father of a hoped for EU constitution on how weak statesmen, befuddled youth and the arrival of pesky little states disrupted his dream for Europe," *Newsweek*, March 27, 2007.

- Miles, Lee. *Sweden and European Integration*. Aldershot: University of Hull, 1997.
- Moravcsik, Andrew. "De Gaulle and Europe: Historical Revision and Social Science Theory." Working Paper Series, Minda De Gunzburg Center for European Studies, 1998.
- Moravcsik, Andrew, "No Power to the People," *Newsweek*, February 5, 2007. <http://proquest.umi.com.library.lausys.georgetown.edu/pqdweb?did=1205700251&sid=2> (accessed March 30,2009).
- Morrison, Donald. "The Death of French Culture," *Time*, November 21, 2007, [http://www.time.com/time/magazine/article/0.9171,1686532,00.html](http://www.time.com/time/magazine/article/0,9171,1686532,00.html) (accessed February 26,2009).
- O'Sullivan, John. "Not the Answer They Expected", *National Review*, June 20, 2005.
- OxResearch*. "Irish 'No' challenges EU credibility," June 16, 2008.
- OxResearch*. "European Union: Public lags elites in EU support," January 15, 2008.
- Roederer-Rynning, Christilla. "Farm conservatism in France: revisiting the weak state thesis." In *France and the European Union: After the Referendum on the European Constitution*, edited by Emiliano Grossman, 19-36. London: Routledge, 2008.
- Schmidt, Vivien A. "Trapped by their ideas: French elites discourse of European integration and globalization," In *France and the European Union*, edited by Emiliano Grossman, 1-18. London: Routledge, 2008.
- Sorensen,Catharina. "Danish and British Popular Euroscepticism Compared" DIIS Working Paper, Danish Institute for International Studies, 2004.
- Thatcher, Margaret. *The Downing Street Years*. New York: HarperCollins, 1993.
- Tiersky, Ronald. *Francois Mitterrand: A Very French President*. Lanham: Rowman & Littlefield, 2000.

United Kingdom. *Hansard Parliamentary Debates*, vol.199 (1991-92).

Thatcher, Margaret. Speech to the House of Commons, November 20, 1991.
Parliamentary Debates, Commons, vol. 199 (1991-92), cols.290-98.

.