



# Lib Dem EuroFILE

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## History comes knocking at the door:

# IS MERKEL LISTENING?



Report by  
Phil Bennion

As pundits queue up to predict global depression if eurozone leaders fail to produce a radical plan of action ahead of their meeting on October 23rd, it is becoming clear that the baton of history has been passed to Nicolas Sarkozy and in particular, Angela Merkel.

The world is waiting to see if the pair has the political leadership to run with it - or drop to disaster.

With even David Cameron and George Osborne calling for a big €2,000 billion bail out fund, five times its current size, and real moves towards fiscal union,

its is clear that these views are not only held by pro-Europeans such as **Guy Verhofstadt**.

In a recent debate, the Liberal leader in the European parliament addressed the German Chancellor directly.

***"Mrs Merkel: you have a central role in Europe's fate. History will judge you according to the decisions and leadership you show now in this time of crisis."***

"We are pinning our hopes that you will rise to the challenge. At your next EU summit in a couple

of weeks, Europe needs to come up with a global plan - a common vision - for economic governance, centred around the European Commission, to oversee national budgetary

## INSIDE:

- Chris Davies on breaking the egg law
- Full report on LDEG's conference fringe debate on the Arab Awakening
- Watson warning to dictators
- Ludford optimistic on access to lawyers plan

## Liberal News from Ideg.org

# The clock is ticking, but agreement is lacking:



***“With the eurozone problems now threatening a full blown global crisis similar to that following the collapse of Lehmans’, this is a welcome step to show the world that the EU is making solid moves to address flaws in fiscal policy”***

Sharon Bowles MEP on the ‘Six Pack’ legislative package agreed by Parliament

*contd from Page 1*

planning and economic policy direction.”

Following the debate, East of England MEP Andrew Duff pointed out that The European Parliament, and especially the Liberal group (ALDE), is playing a major part in driving things forward in a better direction.

Most of the recent proposals for concrete action to tackle the crisis have come from either the Liberal group, or from Commissioner Olli Rehn, also a Liberal.

## **Parliament has resolve**

Economic and Monetary Affairs Committee Chair Sharon Bowles MEP remains optimistic that the so-called ‘Six Pack’ of legislative changes agreed by the Parliament promised a new political resolve to deal with the crisis.

She commented: “With the eurozone problems now threatening a full blown global crisis similar to that following the collapse of Lehmans’, this is a welcome step to show the world that the EU is making solid moves to address flaws in fiscal policy. Without this, any hope of building the long-term solutions for the eurozone would have been lost.

“Thanks to the involvement of the Parliament in this legislation, all European countries will now have an independent Office of Budget Responsibility like the UK and they will not be able to fiddle their books so easily. We have also strengthened the role of the single market, which brings enormous benefits to UK companies.

“There is still a long way to go and it is easy to sit on the sidelines and cast gloom and doom over the future of the euro but passing this legislation is the first signal that European politicians are at last grasping the nettle and taking responsibility for difficult decisions.”

Ms Bowles also accused Conservative MEPs who voted against the new rules of actively undermining the UK Government, which strongly supported the package.

## **Deadline Looms**

Getting clear proposals before 23 October is still a big ask. Although close to full agreement on eurozone governance, there is no consensus as to how an enhanced bail out fund should be used. Some think that the eurozone should take joint action in recapitalising its banks through the fund, whereas others insist that it should be used only for covering sovereign debt and that the member states should recapitalise their own banks.

It is difficult to see how any decisive action can be possible without first resolving this question. There has also been talk of ‘haircuts’ on sovereign debt across a number of eurozone states - varying from 65% for Greece to 20% for Italy. If the scissors are applied, then recapitalising the banks becomes even more urgent and it would be difficult to argue against using the fund, but at the time of writing, no consensus is in sight, with just a week to the deadline. Frau Merkel, time to step forward.



**All year round LibDem ACTION in Europe**

# Eurozone on the brink

As we deal with the Eurozone crisis in our lead article, Carol Weaver's article and the reports on the Lib Dem Conference fringe events, I'll add only a few last minute comments here. Over the weekend of October 15, France and Germany seemed to agree that the bailout fund should not be used directly for recapitalising banks, but should deal with the sovereign debt problems arising from national governments doing the same. Considering that Ireland in particular has already intervened, this could be the fairest mechanism available.

The Slovaks have now voted in favour of the original fund, being the last Eurozone country so to do. Their original "No" vote was a ploy by the opposition to bring down the ruling coalition and secure early elections. However, any large-scale expansion of the bailout scheme, as called for by George Osborne and David Cameron among others, has not even begun to take shape. Speculation over the weekend suggested that this might have to be done through guarantees, enabling the fund to be leveraged significantly. Norman Lamont immediately dismissed this as a "Ponzi" scheme. If the guarantees are sound, this will not be the case. The objective of providing low interest loans to the debtor countries would be achieved. Then on Tuesday, it was reported that the guarantees for the ESFS would only amount to 20% of the loans, in which case Norman Lamont is right. We need cash, or guarantees of at least 50% are required.

At the time of writing there is no further clarification on the various "haircuts" discussed in the lead article. Every few hours the story takes more twists and turns, but the final package still remains elusive. The stakes could not be higher.

## Ukraine trade agreement stalls

The trial and sentencing of Yulia Tymoshenko by a court in the Ukraine is likely to result in the new trade association agreement with the EU being halted. Cathy Ashton has received strong support from the ALDE group, Liberal International and the EPP in threatening to halt the agreement if the Ukrainian president does not step in. I do not have intimate knowledge of the details of the case, involving the gas deal she signed with Russia when she was Prime Minister, but those

better informed suspect strongly that the case was politically motivated.

## Turkey must accept Cyprus taking EU Presidency

Relations between Turkey and the EU have also taken a recent turn for the worse. I certainly sympathise with Turkey in respect of the obstacles being presented by those EU member states determined to prevent Turkish accession. However, this does not give Turkey the right to demand that Cyprus is denied its turn at the EU Presidency. Indeed, it would be unconstitutional for the EU to do any such thing. German MEP Alexander Graf Lambsdorff has called for the Turkish accession process to be prioritised. Indeed, in light of the Arab Awakening, Turkey's potential value to the EU is greater than ever.

## CAP plans seriously wanting

The CAP proposals published by the Commission on 12th October were hardly full of surprises, as the leaked draft has been kicking around for some time. The ALDE group had proposed that Pillar 1 payments could include a tranche dependent upon farmers adopting measures to combat climate change. However, the proposals from Commissioner Ciolos are seriously wanting. George Lyon MEP has described the environmental proposal as "Greenwash".

George comments: "On the key test of whether this will incentivise and develop a more sustainable, more competitive, more carbon efficient agriculture the whole package falls dreadfully short. The greening of the direct payments are nothing more than green-wash and they run the risk of making European farmers less competitive. It is simply nonsense to require 7% of land to be set aside at a time of food and energy scarcity."

Even worse, re-introducing set aside at a time of high demand will put pressure on virgin land in South America, Africa and Asia, thus adding to greenhouse gas emissions, rather than cutting them. The Commission needs to think again.



**Phil Bennion**  
Editor and LDEG chair

# Would a balanced multi-polar Eurozone even be in this mess?

asks Dr Carol Weaver (LDEG)

In a paper published in *European Security* earlier this year, I argued that for a 'security community' such as the European Union to arise and maintain its long-term existence 'balanced multipolarity' is a necessary foundation.

If the same theory can be applied to an 'economic and monetary community' such as the eurozone which is losing its balance then the eurozone could be in danger of collapse, as can be seen quite easily from recent events. My argument is, therefore, that balance and multipolarity need to be restored urgently.

In a recent booklet entitled *Federal Union Now* (published by the Federal Trust), Andrew Duff MEP writes that Paris and Berlin are using various excuses to form a 'directoire' which is the antithesis of a federal Europe. Experts on the EuroZone describe how France and

Germany have broken the rules that they helped to create.

Sharon Bowles MEP, chair of the European Parliament's Economic and Monetary Affairs Committee, says that the maximum amount needs to be done at the 27 level and that small countries do not want to be trampled on. This problem is due to two large states having too much power i.e. there is a lack of multipolarity.

***My belief based on theory is that if the UK had been in the eurozone the current situation might not have arisen. There would have been more balance and multipolarity.***

When 'balanced multipolarity' exists, individual states are forced to reduce their desire for power maximisation (Mearsheimer, 2001) and cooperate with other actors. They are less able to break the rules.

A situation of balanced multipolarity can soon become

unbalanced if the two most powerful actors form a coalition. The European Union as a whole, which is still balanced, and still a security community can help the eurozone situation if it can be more decisive and active. Therefore I agree with Sharon Bowles and Nick Clegg that the maximum amount should be done at the 27 level.

The collapse of the EuroZone would not mean that the EU would inevitably follow. However there would be severe strains especially if large countries on the periphery such as the UK wanted to withdraw.

We need to seriously consider if we in the EU and the eurozone are individual foreign states vying for power within inter-governmental institutions or if we are a genuinely cooperative community in a supranational environment. Currently the answer lies somewhere between the two but the large states can no longer have it both ways.

## 'Stick to the facts' on deporting foreign criminals, May told

Commenting on the statement by Home Secretary Theresa May that she will change UK law to stop foreign criminals invoking family claims to keep them in the UK, **Lib Dem European justice and human rights spokeswoman Sarah Ludford MEP** said:

"The Home Secretary is perfectly right to point out that, unlike the right not to be tortured, family life is not an absolute right under the Human Rights Act and the European Convention.

"So judges can and should balance such claims against the demands of public safety, prevention of crime, or rights of others. But she should not promise what she cannot deliver.

"Unlike the mythical cat, British-born children could have a strong claim not only to stay here but also to have their mother or father stay with them."

"She must take care that her promise to 'write it into our immigration rules that when foreign nationals are convicted of a criminal offence ...they will be removed' does not either lead to judicial confusion, huge injustice to innocent children or a public and press which cries betrayal of promises."



# Wallis and Davies back call for UN to recognise Palestinian state

**Lib Dem Euro MPs Chris Davies and Diana Wallis have called for both the EU and the UN to recognise Palestine as an independent state.**

The UN Security Council is beginning consultations on an application by Palestinian leader Mahmoud Abbas for full state membership of the UN.



*Diana Wallis at the wall or 'Security Barrier' fencing off the West Bank*

Yorkshire MEP Diana Wallis has joined calls for the UN to recognise the territory as an independent state.

She has visited Palestine several times and works closely with Palestinian Solidarity Campaign groups across the Yorkshire region.

She said: "I have signed a Written Declaration in the European Parliament which calls on all EU countries to take an active role in ensuring recognition of the Palestinian State by the European Union and that in turn the EU supports this position at the United Nations."

North West MEP Chris Davies described Israel's military occupation as 'a running sore' that fosters

a sense of injustice across the world.

He said: "Time and again Israel has blocked progress towards a peace agreement while it builds more and more settlements on Palestinian territory."

## **Justifiable anger**

"When the UK stands by and lets this happen people are justifiably angry. With the Middle East changing so fast, this is the time when pressure must be applied on Israel to change its policy and negotiate in good faith."

Negotiators claim that as many as 140 countries are expected to back the bid, but the USA has declared its opposition and the EU is divided on the issue. Britain has yet to determine its position.

## **EU takes important step against tar sand extraction and towards cleaner fossil fuels**

**South East MEP Catherine Bearder has joined the EU sustainable transport campaigners in welcoming a European Commission decision to promote cleaner sources of fossil fuels for transport.**

The Fuel Quality Directive adopted in 2009 set a binding target to cut CO2 emissions from transport fuel production by 6% by 2020. The Commission's original plan to introduce a specific CO2 rating for fuels produced from polluting tar sands looked set to be dropped after an unprecedented lobbying campaign by the Canadian government and oil interests.

However, the Commission has now reverted to its original plan and included individual values for different sources of fossil fuels, including tar sands, in a proposal outlining the detailed implementation of the law.

The CO2 ratings will provide an incentive to dirty fossil fuel producers to clean up their act if they want to compete with cleaner sources on the European market.

**Catherine Bearder**, one of the fiercest opponents of tar sands in the European Parliament said:

"I'm proud of the EU for standing their ground. We need an ambitious and fair fuel quality directive that doesn't mask the pollution behind tar sands.

"This is fantastic news and the Commission, particularly Connie Hedegaard, the climate commissioner should be applauded for not backing down in the face of huge pressure from Canada and the oil industry."

The proposal still needs to be approved by national governments in the coming months.

The European Parliament has already pledged its support with a resolution earlier this year raising concerns about tar sands in the context of EU-Canada trade negotiations.

A petition against tar sands, containing over 20,000 signatures, was presented to the Parliament in March 2011.



**Change that works for Europe & for you**

# COHESION POLICY: is it working?

asks Cllr Flo Clucas

If you have seen 'Cabaret', you will remember the song 'Money makes the world go around'; a tour de force by Liza Minnelli and Joel Grey. How right they were! Money, filthy lucre, dosh, gelt...no matter how the word is said, it means the same. Used properly it has an enormous potential for good; used badly, a great potential for harm.

Here in Europe, we use it for a variety of purposes. One such is Cohesion Policy; helping regions and cities that have fallen behind to catch up.

It is a wonderful idea that in practice has had success and failure. When used properly it has given new impetus to growth, business and job creation as well as the development of higher skills. Success comes when people work together, subsuming their own narrow desires for a wider, agreed programme to take people, communities and businesses to a new level.

Saxony, Belfast and Merseyside are three of the many examples of where money has made the world go around. The questions that are often asked include; why does Cohesion Policy succeed in some regions? What does it do that member state governments can't, or don't? Why can't the private sector do it? Why should Europe get involved?

Direct questions needing direct answers. So, here goes!

*Why does Cohesion Policy succeed in some regions?*

When success comes, it has a number of ingredients: money, time, thought, involvement,

understanding, creativity. The money enables things to be done. New facilities, new investment, new attractiveness for businesses and for people. Put that together with the other ingredients and there is a recipe for success.

*What does it do that member states can't?*

It guarantees the money for a seven year period, so investment in a new facility or infrastructure has the chance to deliver results, as part of a programme for improvement and growth. Member state government spending in poorer areas tends to fund social protection in the main, rather than the capital investment in growth and skills that the area needs. Cohesion funds provide for that and fill a gap.

*Why can't the private sector do it?*

The private sector will invest, but looks for a return on investment. Poorer regions find it more difficult to attract private capital. Therefore, most private capital goes to better off regions, where the return on the investment may be greater.

*Why should Europe get involved?*

There are several reasons: first, if the money comes from the EU, then State Aids rules apply in a different way for those regions and cities receiving Cohesion Funding. More can be given by way of an incentive than would normally be the case. Secondly, because the decisions are made outside of the member state, investment needs don't just go to a favourite city or region, they are allocated on the basis of need, through GDP criteria. Thirdly, because EU funding is 'additional' it can't be used to substitute for cuts to member state budgets. European money also involves a real



partnership between all those concerned with spending the money in the region, so what is best for the region as a whole should prevail.

*So, is it worth it? Does it work?*

Yes. But, when member states don't allow their local and regional authorities to get involved things can go wrong. People, organisations and even member states, do make mistakes and that can lead to money not being used properly. Money can sometimes be spent without real concern for economic growth and regeneration in a region. That isn't the fault of Cohesion Policy, but of those implementing it on the ground.

***On balance, Cohesion Policy makes a difference. It rebuilds communities and reinvigorates people. But most of all, it says that people care; it says that there is hope for the future and a way of changing things for the better.***

Long may it continue!

**All year round LibDem ACTION in Europe**

# Sir Graham tells dictators: "We won't launder your money"

A new European Parliament report on EU policy towards the leaders of authoritarian regimes was discussed in the Parliament's Foreign Affairs committee on 6th October.



Ahead of the debate **Sir Graham Watson MEP**, who drafted the report and who is steering it through the Parliament, said:

"The EU's hypocritical stance towards leaders of authoritarian regimes needs to stop. We publicly denounce their human rights records, while letting them busily stash all their money away in our banks, send their children to our schools and holiday in our resorts."

"From Gaddafi to Mubarak, or Tunisia's Ben Ali to Burma's Than Shwe, authoritarian leaders and their money have been far too welcome within our borders, with travel bans and asset

freezes only put in place once they are on their way out.

"Is it not more useful to express our abhorrence at their actions while they are power?"

## Stop cosyng up to dictators

"I believe that the EU should establish a clear definition of what is and isn't an authoritarian regime, so no one is tempted to cosy up to foreign dictators for their oil or other business interests, and that these leaders are prevented from owning property, holidaying or doing business in the EU. The message has to be loud and clear: we will not launder your ill-gotten gains!"

## Danish liberals prosper in elections

Recent elections widely seen as a swing to the left also brought success to both of Denmark's Liberal parties.

ELDR member party **Venstre** maintained their position as Denmark's leading party increased their share of the vote by 0.5% to 27%.

Despite losing the Prime Minister's seat to the Social Democrats, Venstre was the only party in the former government coalition that increased their vote share and they also increased their tally of MPs to 47, out of 175 electable seats in the Danish Parliament.

ELDR's other Danish member party, **Det Radikale Venstre**, obtained 9.5% of the votes and almost doubled their number of seats in the parliament to 17.

They are looking at key government positions in coalition negotiations as the second force in the government.



## Yabloko gears up for poll battle

Ahead of parliamentary elections in Russia, ELDR member party, **YABLOKO** held its 16th congress on 10-11 September.

The upcoming elections set the tone for the congress with democratic development and economic policy identified as two main pillars for the campaign.

**Sergei Mitrokhin**, party leader (*below right*), said YABLOKO was a responsible political force, which is why it will participate in the poll.

He added: "Only YABLOKO due to the specifics of its ideology and programme can truly challenge the monopoly of corrupted bureaucracy merged with business."



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# Continuing cancer care conference highlights need for equality

**Lib Dem Euro MP Liz Lynne hosted a major conference on better continuing care and equal treatment for long term cancer patients at the European Parliament in Brussels in September.**

The event, organised by the Association of European Cancer Leagues (ECL), focussed on problems faced by millions of people now living with long term cancer conditions, both in access to treatment and from discrimination in employment and other areas of daily life.

The event culminated with the launch of the **2011 Declaration of Support for Cancer Patients**. The move is regarded as vital to protect the rights of cancer patients at work and to ensure equal access to financial services.

Liz Lynne said: "This conference considered the consequences of recent advances in health care which mean that millions of people across the EU are now surviving cancer or living with the disease as

a long term chronic condition, often suffering appalling discrimination and ignorance.

"The Declaration calls for cancer patients to be protected by a UN definition of disability, to be implemented in all EU states and applied to all anti-discrimination legislation.

"This should be the absolute minimum standard for cancer patients. Research, prevention, treatment and continuing care – all of these areas need further attention and co-operation at EU level."

## **A right to work normally**

Liz received strong support from Lib Dem group leader Fiona Hall MEP, who called for new legislation to protect cancer sufferers.

Fiona said, "Many cancer patients see

work as a key part of retaining as normal a life as possible. And for those that have passed through treatment, return to work is often seen as proof of their success.

"Securing a regular wage can also be vital for a family's finances, especially if there are treatment bills to pay. So we must make sure that where patients are willing and able to return to work, they are not held back by discrimination."



**Liz Lynne launches the Declaration of Support for Cancer Patients**

## **End this roaming rip-off, says Fiona Hall**

**The rise of the iPhone, Facebook and Twitter means more needs to be done to end the roaming rip off faced by holidaymakers and business travellers, says North East Euro MP Fiona Hall.**

People using their mobile phones on holiday are still likely to return to huge bills despite efforts to cut charges in recent years. Fiona has now added her voice to those calling for phone use abroad to cost the same as it does at home.

Fiona said, "Returning home from holiday is depressing enough without finding a massive mobile phone bill



waiting for you. People have come to rely on being able to access the Internet on their phone but even checking Facebook and Twitter while abroad can lead to hefty charges from the networks.

"It's time to end this roaming rip-off. Calling, texting or using the Internet from your mobile should cost the same wherever you are in the EU.

**"The only reason it doesn't it because of the greed of the networks.**

"They have tried to block every move we've made to reduce charges because they know how much people depend on their mobile phones."

# Bright prospect of UK joining EU 'access to lawyers' law

**There are bright prospects for Britain to shape and sign up to a new EU law guaranteeing basic rights for Britons arrested abroad, claims Lib Dem European justice & human rights spokeswoman Sarah Ludford MEP.**

She is negotiating on behalf of the Liberal Group in the European Parliament the draft EU directive ensuring the availability of legal advice and consular contact for arrested people.

Commenting after the recent debate in the House of Commons on the UK's approach

to this new law, **Sarah Ludford** said: "The new proposal is a further essential step in a programme of strong EU safeguards to guarantee fair trials across Europe.

## Quality of justice

"Britons in contact with criminal justice systems abroad often do not receive the same quality of legal protection as at home."

"I am very encouraged that the coalition government, while choosing initially not to take part, has made crystal clear its desire to do so once certain technical problems are resolved in the negotiations.

"I have every confidence that the Ministry of Justice and MEPs like myself can together do that, so that protection of defendants is compatible with effective policing and investigation. I totally agree with Conservative minister Jonathan Djanogly who stressed the importance of the EU legislating for minimum standards of defence rights so that we can have confidence in the result of trials in other EU countries."

## BAE job losses: RDA could have helped, says Wallis

**Commenting on news that Defence giant BAE Systems is cutting almost 3,000 jobs, including 900 at its base in Brough, East Yorkshire, Yorkshire Lib Dem Euro MP Diana Wallis said:**

"Firstly it is very unfortunate that the BAE workers learnt of the threat to their jobs through the Sunday Telegraph. This is clearly not acceptable and needs to be investigated as to how this happened.

"Secondly, the highest standards of support must be offered to the workers who are made redundant. There are best practices which should be drawn on. I am no expert in global arms procurement but it



seems to me there are still big contracts which BAE might win in the future.

"If the situation improves over time hopefully these

people can be reemployed at a later date. If the proper redundancy measures are in place then hopefully the level of skills will not be lost.

"I am disappointed that the Regional Development Agency, Yorkshire Forward, is being wound down. Although I don't doubt the local council will do its best they have nowhere near the resources that Yorkshire Forward would have had at its disposal in these sorts of situations."

## Protectionism a disaster for jobs

"Protectionism is absolutely the last thing we want just now. The very fact that the economies in the EU and North America are stuttering means we have to take opportunities elsewhere.

"Jaguar Land Rover revealed a new £355m car engine plant recently largely because of the growth of the Indian market. Trade liberalisation is good for jobs not the other way round."



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# Europe and the Arab Awakening

**LDEG's conference fringe meeting on the Arab Awakening, held jointly with the Liberal International (British Group), produced a debate of the highest quality, with a first rate panel of speakers. PHIL BENNION chaired proceedings and reports for Eurofile on the event.**

The first speaker at this well attended debate was Liberal International Treasurer **Robert Woodthorpe Browne**, who has been in close contact with Arab Liberals, both political parties and individuals, from long before the Arab Spring. He chaired the meeting in Marrakech in 2007 which launched the Network of Arab Liberals, whose HQ is now in Cairo. Robert sketched out what Liberal International and the European political foundations have been doing since 2007 in fostering and encouraging nascent liberal



political parties across the whole MENA region.

Robert was present when former German President Horst Koehler said that a Marshall Plan was needed to persuade Arabs in freed countries that economic development and democracy have parallel benefits. Meanwhile, an American polling organisation found that of Egyptians aged 19-34 only 4% found democracy a priority. 40% prioritised setting up their own businesses.



**Professor Paul Reynolds**, who advises governments and political parties across the developing world on governance and democracy, had just returned from Egypt, where he has been working with parties across the political divide. Paul agreed that democracy was not the main impetus behind the movement for change.

He said: "For the populations of these countries the anger over

the vast wealth and impunity of the ruling tribal families ran in parallel with economic stagnation for the mass of the population and rapidly falling per capita incomes amongst the expanding ranks of the under-35s. By contrast, most of the countries showed 'on paper' headline economic growth, which helped induce military analysts in Washington DC to believe that the regimes were politically stable.

"Unlike in East Asia, in the Arab countries the poor cannot easily engage in small-scale business in order to scrape a living.

"Permissions and large bribes are needed from corrupt officials just for selling a few small items on the street. This is why the self-immolation of a small trader beaten by the police for selling a little bit of food on the street in Tunis had such resonance across the Arab world - the trigger for the uprisings."

Prof Reynolds also criticised the US for its obsession with the "War on Terror" narrative that had led them into supporting corrupt dictatorships. Although Islamists are present, they are not the main driving force for change, he said. The main forces are economic and related to hopelessness and disempowerment, particularly of a large underemployed youthful population.

**Change that works for Europe & for you**

# Europe and the Arab Awakening



**Edward McMillan-Scott MEP** has a long pedigree in campaigning for a move towards democracy in the Arab world and was actively involved in securing the release of liberal El Gadh party leader Ayman Nour from imprisonment by the Mubarak regime.

He pointed out that the Liberal group within the European Parliament had been calling for a radical opening of markets to the newly reformed Arab countries and a package of measures to help them achieve their aims. He was highly critical of the initial European response and highlighted the problem of an economic downturn in Egypt threatening the continued popularity of the reforms. He feared that the military government in Egypt (SCAF) could try and hold onto power if the economy collapsed. He praised the British and French governments for their courage over Libya.



Finally our special guest from Egypt, **Mohammed Nosseir**, (above right) Chair of International Affairs for the

Democratic Front, gave us some insights into the political situation on the ground. He said that the main groupings were the Islamists (Brotherhood and others), the former ruling NDP, the Supreme Council of the Armed Forces (SCAF) and its allies, and the Liberals, including the Democratic Front and El Gadh.

He said that the prospects for Liberals were held back as they were not as well organised as the Islamists and were also struggling to attract support from the old elite of the NDP, where family ties were instrumental in deciding the outcome of elections.

However, he did not think that anyone was strong enough to win a majority in forthcoming elections, all groups having strengths and weaknesses. The Islamists, for instance, were particularly weak on economic policy and experience.

He said the new constitution was going to be vitally important in determining the success of the revolution, particularly regarding the blocking of parties openly expounding religious intolerance, but it would take time so we should not expect a Presidential Election until early 2013. International relations were a concern, particularly with Israel, but his group were internationalists committed to free trade and playing a positive role in the world.

## Support Democracy, holiday in Egypt!

***Mr Nosseir called on everyone to do what they could to support the Egyptian economy, such as taking a holiday there, as income from tourism had crashed since the revolution, leading many to hanker for the old regime.***

The following questions indicated a consensus on the role of Europe in opening up to the Arab world and drawing it into the larger regional economy. Support for military intervention in Libya did not extend to a similar adventure in Syria, while there was a strong view that the regime in Bahrain is rapidly moving beyond the pale. There was support for UN membership for the Palestinians and hope that meaningful reforms would be concluded in Morocco.

The event took place immediately after the International Reception and we were pleased to welcome a number of foreign diplomats in the audience.

***Phil Bennion***  
***(LDEG and debate Chair)***

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# Bowles thanks Trichet for work at ECB



**The Chair of the European Parliament's Economic and Monetary Affairs Committee, Sharon Bowles MEP, has thanked outgoing President of the European Central Bank Jean-Claude Trichet for eight years hard work.**

Trichet, a former Governor of the Bank of France, will step down as President of the ECB on 1st November when his successor, Mario Draghi, will take over.

Trichet's presidency bore witness to the global credit crunch of 2008, the subsequent banking crisis of 2009, and the sovereign debt crises in Greece, Ireland and Portugal. Despite the difficult challenges faced by the ECB, Trichet helped deliver price stability for the euro, took a firm stance against 'short-termism', and became an ardent supporter of more transparency in the financial sector.

Speaking from Brussels after Mr Trichet's last Monetary Dialogue with

the Economic and Monetary Affairs Committee, **Sharon Bowles MEP** said: "Jean-Claude Trichet has achieved a great deal as President of the ECB, which is widely regarded as one of the EU's toughest jobs.

"President Trichet has always treated this Monetary Dialogue with great respect, to the benefit of both the European Parliament and the European Central Bank. We have asked many questions of him and we and the public have benefitted from hearing his views.

"To his credit, President Trichet has not backed away from difficult questions including, in recent years, those surrounding the financial and sovereign debt crises. My Committee has already approved Mario Draghi to take over as President of the ECB and we are confident Mr Trichet will have a highly competent successor."

## Conference Fringe report:

# "Place of Strife? The Political and Economic Outlook for Europe"

*LDEG and European Movement Fringe, chaired by Petros Fassoulas of the European Movement. EuroFile Report by Carol Weaver*

This meeting on the Sunday of Conference was packed. **Sharon Bowles**, Chair of the European Parliament's Economic and Monetary Affairs Committee emphasised that problems for the Euro have consequences for the whole EU and countries beyond which are also exposed through their banks. This is not always made clear by the media.

Sharon welcomed the involvement of the central banks and said the '6-pack' of measures will help with stability. The UK needs to ensure that it does not kill off the city by its anti-EU talk, she said.

Leading economist **Graham Bishop** tried to rebut some myths about the crisis, firstly reminding us that there is no clause on leaving the eurozone – only the EU as a whole can be left. Secondly, the selling of euro bonds would not mean that Germany was taking over all the debts and thirdly, it is possible to continue to help Greece indefinitely. The British media talk of what a mess Europe is in but the UK is in a worse mess than most, he said.

LDEG vice-chair **Antony Hook** said Liberal Democrats at every level must not be deterred from taking on Eurosceptics and the party needs to be better at rebutting the myths

We must remember the basics that European countries can achieve more together than apart from each other and in Europe we have common interests. He also argued that we should challenge any calls for protectionism and make the case for free trade in Europe as best for consumers and the economy.

### 'Merkozy' tied to their national interests

Finally **Andrew Duff MEP** (standing in for European Movement President Charles Kennedy) talked of two chancellors – Merkel and Osborne. Merkel he said is right to say that it is impossible to mutualise the debt now. Osborne however speaks of the remorseless logic of fiscal union. Churchill's talk of the United States of Europe set us back twenty years and now George could do the same for another twenty. "Merkozy" seem to be in agreement with both tied to their own national interests, he said. He believed there is far more nationalism around now, including in the European Parliament.

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# MEP backs controversial drug reform motion

**A motion summated by South West Euro-MP Sir Graham Watson calling for an independent drug reform panel was adopted at the Liberal Democrat annual conference in Birmingham.**

Speaking at conference, Sir Graham praised his party for having 'the courage' to discuss the issue of drug reform despite being a party in government.

Watson also highlighted the success of radical drug reforms in countries such as Portugal, where predicted problems had not materialise after decriminalisation was adopted in 2001.

***'In those ten years, none of the nightmare scenarios predicted by opponents has come to pass.***

"Rather, usage of some drugs in Portugal has declined. With the stigma lifted, more of the drug users seek treatment. And one evening's experiment does not risk a life-long criminal record.'

The Lib Dem motion calls for an independent, scientific panel to

investigate a number of options on drug reform including a policy whereby personal drug use and the carrying of recreational drugs remains prohibited, but does not constitute a criminal offence.

## **Rehabilitate and educate**

Drug users instead would be put before a panel to seek methods of rehabilitation through education, social care or treatment. However, Sir Graham was quick to point out that these ideas will require rigorous investigation before any legislation is proposed. This motion does not call for decriminalisation. It calls for an independent panel to assess the impact of current policies and advise on policy options.'

But Watson also highlighted what will continue to happen if reforms are not made.

He said: "Hundreds more will die in Mexico and Colombia and Afghanistan from our failure to act. Britain's police will be ever more tied up in a battle they cannot win.

***"Robberies and break ins and muggings will continue, most of them for money to feed drug habits. Our prisons will stay crammed with people who need care, not incarceration.***

"Families remain reluctant to report abuse to authorities. And many more young lives will be blighted by criminal records. That's not the kind of Britain Liberal Democrats want."

Following the adoption of the motion, the party now requires the support of Conservative coalition partners for a drug reform panel to be formed.



## Watson toasts Cider Brandy victory

**Cider Brandy producers have received confirmation that their famous tittle, produced in the South West of England, will be given Protected Geographical Indication (PGI) status by the EU.**

To avoid cheap imitations, the European Commission and European Member States had drawn up agreed definitions of products like Brandy. However, following gross oversight and ineptitude by the previous British Government, 'Cider Brandy' was removed from the list. The omission threatened the age-old tradition of cider brandy produced in quantity in the South West.

Lib Dem Euro MP **Sir Graham Watson** joined forces with local Cider Brandy producer Julian

Temperley to defend Cider Brandy and secure Protected Geographical Indication for the product.

A four year battle saw Graham serving Somerset Cider Brandy to Commission President Jose Manuel Barroso and crossing swords with countries such as Spain which were keen to protect their own brandy producers.



Graham Watson said: "This is excellent news. All 27 Member States now support PGI status for Cider Brandy. We have achieved a victory against a modern day Spanish armada - albeit one of Brandy producers!. PGI status protects a fine West Country tittle from lesser imitations.

"It ensures a centuries old recipe can rightly be sold as cider brandy, here and across the world. It's fantastic that Cider Brandy will now have the same legal protection as Champagne."

**All year round LibDem ACTION in Europe**

# Davies: the slow moving disaster of global warming



**Lib Dem Euro MP Chris Davies is calling for action to combat the “slow moving disaster” of global warming that he claims will have consequences as far reaching as war.**

Chris, who is responsible for drafting the European Parliament’s response to proposals for reducing CO2 emissions, worries that economic problems have sapped the will of governments to act. He warns that it is in Europe’s interest to invest in new greener technologies to avoid being overtaken by China.

In a discussion paper he points out that global warming emissions increased last year by nearly 6%, far exceeding the rate which the majority of the world’s scientists

say will lead to dangerous temperature increases.

The British government has already set ambitious goals to reduce UK emissions through greater energy efficiency and development of low carbon power stations, but its plans require the support of EU measures that have yet to be approved.

## **Invest or China will overtake**

Davies says that Europe must set itself tough targets to promote investment. He points to the fact that most solar panels are now made in the Far East as evidence that industry here is not doing enough to keep up.

He said: “Britain in the 1950s failed to modernise its manufacturing industry and was

left behind while Germany underwent an economic transformation. In the same way the whole of Europe is now at risk of being overtaken by China and the Far East.

“Renewable energy has an important role to play, but many countries will also have to make use of nuclear power and carbon capture technology to reduce emissions. We must put in place the mechanisms to promote investment, and we must do it fast.”

The North West MEP says that if Euro MPs reject the plans put forward by the European Commission the effect will be to undermine worldwide efforts to combat climate change.

## RNIB nominates Liz for MEP of the Year

**Liz Lynne has been nominated for the MEP of the Year Award by the RNIB in recognition of her strong campaign for warnings on cigarette packs and other tobacco products to highlight the proven link between smoking and sight loss.**

The Royal National Institute of Blind People says the nomination is in response to Liz’s ‘special contribution’ to advance disability rights over the last year.

RNIB chair Kevin Carey described the West Midlands MEP as ‘a

dedicated ally’ in the charity’s long-lasting campaign to secure a



new type of health warning to raise awareness of the link

between smoking and sight loss.

Liz is a longstanding advocate of rights for disabled people and a supporter of displaying very large health warnings on cigarette packets and other tobacco products.

She is Vice President of the Disability

Intergroup of MEPs in the European Parliament and 1st Vice President of the Employment and Social Affairs committee.

Liz Lynne said: “I am honoured to have been nominated. I am determined to keep up the pressure on the European Commission and in Parliament to ensure that public health warnings on tobacco products bring home the true risks of smoking.

**“Most people now realise that smoking causes cancer but not that many are aware that it can also make you blind.”**

# UK should break eggs law, say Lib Dem MEPs

**Lib Dem Euro MPs say they will support the Government if it tries to ban the import of egg products from EU countries that have failed to scrap battery hen cages.**

Banning eggs which have been produced in this way may technically be illegal, even though all EU states are supposed to have introduced 'enriched' cages by January 2012 under the Laying Hens Directive, approved in 1999.

The "enriched" cages should give hens space to perch and stretch their wings. Farmers in the UK and elsewhere have spent millions of pounds in to become compliant but a number of member states, including Belgium, Poland, Hungary and Greece, have failed to apply the law and still produce many eggs from cruel battery units.

The European Commission says that it will start legal action against countries that are in breach of the rules, but claims that it has no

power to prevent eggs from battery hens being sold on the EU market or to food manufacturers in tankloads of liquid egg.

## Unfair competition

Lib Dem MEPs are widely seen as the most pro-European contingent in the party, but they say that it would be wrong for UK farmers to face competition from countries that have not made the same costly investment. Chris Davies, the group's whip, argues that the legal processes can take years.

He said: "The UK should play the system just as those who are failing to apply the law are doing.

***"If egg products from non-compliant countries can be identified their use should be prohibited until the day we are dragged before the European Court.***

"It may be a technical breach of the rules but it would be in support of fair competition and good animal welfare."

## Lynne blasts delay on horse transport rules

Liz Lynne MEP, a longstanding campaigner for animal welfare, has questioned why 18 months after her Parliamentary Declaration protesting at cruelty to horses going for slaughter was adopted, the review of the enforcement of transport rules has still not appeared.

369 MEPs backed the call, which also had a petition in support with 120,000 signatures.

### Public concern

Liz Lynne said: "There is clearly great public concern that thousands of horses are still travelling huge distances to slaughterhouses all over continental Europe suffering injury, trauma and even death.

"Journeys for these horses can last for days, with many being given little or no food and water.

"The review report was promised in September but apparently will not now appear until November. This delay is worrying.

"The Commission must take steps not only to enforce the existing laws robustly but also to ensure that the the regulation is reviewed and, if necessary, changes made so welfare standards can be improved."

## Welcome for £8bn EU plan to boost broadband

**An ambitious plan by the European Commission to invest billions on boosting broadband speeds has been welcomed by Lib Dem MEPs.**

The Commission announced a plan on October 19th to spend around 9.2 billion Euros (about £8 billion) to offer 30Mbps superfast broadband to every home, with one aim being to tackle broadband 'blackspots' in rural areas which lag way behind major cities.

The funding stream is planned for 2014 – 2020 and it is hoped that private investors will expand the work.

### Get out of the Stone Age

South East MEP **Sharon Bowles** said: "This is welcome news. Despite recent investment, parts of the South East are still stuck in the Stone Age.

"A recent comparison by uSwitch revealed that Cranbrook in Kent had the worst download speed in the UK. Kent and Sussex host six of the country's 20 slowest towns and villages.

"With large-scale EU investment these broadband black spots can be a thing of the past."

West Midlands MEP **Liz Lynne** also welcomed the plan, noting that Herefordshire and Shropshire in her region are in Ofcom's slowest category for average download speeds, on a par with rural Wales and the the Highlands of Scotland.

Liz Lynne said: "High speed broadband is essential to allow businesses in rural areas to compete and create good quality jobs outside the big cities.

"In the current climate, investment in infrastructure is even more important. The Commission's digital agenda should enhance the UK government's recent plans to tackle the connectivity crisis."

South West MEP **Sir Graham Watson** added: "We are falling behind developing economies like China and Turkey who are ploughing huge resources into internet and transport links."

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# Lib Dem EuroFILE

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## Join ELDR!

Edited by Phil Bennion, the *Eurofile* magazine is supported by ELDR - the alliance of European Liberal, Democrat and Reformist political parties.

In an exciting initiative *Eurofile* warmly welcomes, ELDR has now launched **Associate Membership** for individuals. The scheme is a great way to show support and share the European liberal values of freedom and individual responsibility, democracy and the rule of law, respect for human rights and tolerance. For ELDR, it is a new way to engage interested European citizens in the role and activities of our Party.

Membership is 25 € per year, which gives you: an *Associate Membership* card; home delivery of the quarterly ELDR newspaper; the ELDR electronic newsletter; and personal invitations for selected events. For details and to sign up, visit [www.eldr.eu](http://www.eldr.eu).

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