## As they Say...

In this paper we review a number of EU documents to show just how deep-rooted is the ideology of supra-nationalism and how deceitful are the processes leading inexorably to its achievement.

We take these documents in reverse chronological order, back to the Five Presidents Report of June 2015, which some have claimed is "gathering dust on some shelf". We will show just how alive are the intentions of the EU to achieve a 'United States of Europe', although they have mostly avoided using this expression since the ideology was formed many decades ago.

In these comments we focus on just some of the broader issues that make us dislike the EU, including: ideology, propaganda, deception, rigidity, irreversibility and lack of democracy. These in turn are based in a profound disdain for nation states and the views of their citizens.

We are concerned that too few people are aware of just how unsound the EU project is and of the risks that the UK takes while a member, and indeed while it tries to negotiate a satisfactory exit.

## [A] **Position paper transmitted to EU27 on Governance** (28 June 2017)

https://ec.europa.eu/commission/publications/position-paper-governance en

"The Withdrawal Agreement should respect the Union's autonomy and its legal order, including the role of the Court of Justice of the European Union (hereafter 'Court of Justice') as regards in particular the interpretation and application of Union law."

This is the opening paragraph. In case there is any doubt that "respect" means 'obey', here is the closing paragraph of the position paper:

"The Withdrawal Agreement should provide that where one party considers that the other party has not taken the necessary steps to comply with a ruling of the Court of Justice, the complaining party may seize the Court to request a lump sum or a penalty payment or the suspension of certain parts of the Withdrawal Agreements other than citizens' rights in order to ensure compliance with the ruling, after giving the other party the opportunity to express its position."

This puts beyond doubt that the EU's position – which we interpret to mean 'mandate' rather than negotiating position – is that the UK will remain under the jurisdiction of the ECJ for the foreseeable future, and be subject to its rulings and its penalties. The purpose of the ECJ is to protect the EU; this is not international law in any neutral, mutually-beneficial sense.

The material in between these paragraphs, under headings General Principles, Institutional Arrangements, Enforcement and Dispute Settlement, Non-compliance with Court Rulings, add much detail but do not conflict in any way with our interpretation of the EU's intention. The language is legalistic but clear in its meaning. The only way for the UK to avoid remaining subject to the ECJ would be to avoid any reference to EU law in the Withdrawal Agreement, which the EU would then surely veto.

We may assume that the intention is to continue to restrict the UK's room for independent action. The motive behind this is not spelt out but we can be sure that it is a poisonous mix of 'pour encourager les autres' and protection of the EU against competition, consistent with its protectionist regime.

## [B] Negotiating directives for Article 50 negotiations (22 May 2017)

https://ec.europa.eu/commission/publications/negotiating-directives-article-50-negotiations en

"The [Withdrawal] Agreement will be negotiated in the light of the European Council guidelines and in line with the negotiating directives. The negotiating directives build on the European Council guidelines [see next section] by developing the Union's positions for the withdrawal negotiations in full respect of the objectives, principles and positions that the guidelines set out."

The guidelines are in the next document, below. These were initially drafts, drawn up by the Commission; they were later approved by the European Council and Parliament and so became

- 'directives' and now 'mandate' (from Latin *mandatum* 'something commanded'), thus confirming our view that negotiations are not what is taking place.
- "Article 50 of the Treaty on European Union confers on the Union an exceptional horizontal competence to cover in this agreement all matters necessary to arrange the withdrawal."
- "The Agreement should ensure the necessary protection of the Union's interests in the United Kingdom."
- 'Competence' is EU-jargon for 'power'. The EU expects to exercise its power to form any withdrawal agreement. It will, of course, do this in its own interests, as the Commission sees those.
- "The Agreement should contain provisions relating to the overall governance of the Agreement. Such provisions must include effective enforcement and dispute settlement mechanisms that fully respect the autonomy of the Union and of its legal order, including the role of the Court of Justice of the European Union..."

#### The ECJ rules – OK?

"As soon as the European Council decides that sufficient progress has been achieved to allow negotiations to proceed to the second phase, there will be new sets of negotiating directives. ... Should a time-limited prolongation of Union acquis be considered, this would require existing Union regulatory, budgetary, supervisory, judiciary and enforcement instruments and structures to apply."

...and will continue to rule through any transition period that may be agreed.

"The Agreement should also ensure that professional qualifications (diplomas, certificates or other evidence of formal qualification) obtained in a third country and recognised in any of the Union Member States before the withdrawal date in accordance with Union law rules applicable before that date continue to be recognised also after the withdrawal date."

This is a trap, one among many in the document. If there is any disagreement then Union law will apply and judgement will be within the jurisdiction of the ECJ. There is no escape this way.

"This single financial settlement should be based on the principle that the United Kingdom must honour its share of the financing of all the obligations undertaken while it was a member of the Union."

The "should be based..." sounds flexible but we need to remember that these are directives, so 'should' is being used here in a legal sense, as an instruction to be obeyed.

"The calculated obligations may be subject to limited future technical adjustments."

So the EU will be able to increase the bill at its discretion.

"The Agreement should therefore contain:

"Transitional rules to ensure control by the Commission (or, where applicable, another body responsible under Union law before the withdrawal date), the European Parliament, the Court of Auditors, OLAF and the power to adjudicate of the Court of Justice of the European Union for past payments/recovery orders to United Kingdom beneficiaries and any payments made to United Kingdom beneficiaries after the withdrawal date to honour all legal commitments (including possible loans) authorised by the responsible entity before the withdrawal date."

If you still thought there may be room for manoeuvre, this nails it down.

"Agreement should ensure that any good lawfully placed on the single market on the basis of Union law before the withdrawal date can continue to be made available on the market or put into service after that date both in the United Kingdom and in the EU27 under the conditions set out in the relevant Union law applicable before the withdrawal date. Other matters, such as services, where there may be a need to reduce uncertainty or avoid a legal vacuum, will be covered by subsequent sets of negotiating directives."

This appears to state that all goods currently available should continue to be available, which makes no sense in a context where goods come and go as commerce and fashion dictate (but this depends on

an interpretation of "can"; is it the legal meaning of 'should' or a softer one of possibility. The ambiguity is surely deliberate and will as surely give rise to disputes, and ECJ judgements.)

Services are a much bigger issue for the UK economy even than goods so failing to cover this area in a withdrawal agreement suggests that the EU wishes to continue to protect itself and its member states from competition in services.

"Regarding judicial cooperation in civil and commercial matters between the United Kingdom and the EU27, the Agreement should ensure that the recognition and enforcement of national judicial decisions handed down before the withdrawal date remain governed by the relevant provisions of Union law applicable before the withdrawal date. The Agreement should also ensure the continued application of the rules of Union law relating to choices of forum and choices of law made before the withdrawal date."

This strongly suggests that the UK will not be able to repeal anything the Union has ever put into its laws or regulations prior to our leaving. Do we feel like Gulliver in Lilliput, tied down every which way?

"The Agreement should provide for arrangements relating to:

- a) "Judicial proceedings pending before the Court of Justice of the European Union on the withdrawal date involving the United Kingdom, United Kingdom natural and/or legal persons (including preliminary references); the Court of Justice should remain competent to adjudicate in these proceedings and its rulings must be binding upon the United Kingdom;
- d) "Continued enforceability of Union acts that impose pecuniary obligations and of judgments of the Court of Justice of the European Union, adopted or rendered before the withdrawal date or in the course of ongoing judicial and administrative proceedings."

Yet more confirmation, if any were needed, that we are expected to remain tied down.

"The Agreement should also provide that the United Kingdom ensures, within its jurisdiction, the continued respect by members of Union institutions, bodies, offices and agencies, members of committees, officials and other servants of the Union of the obligations incurred by them under Article 339 of the Treaty on the Functioning of the European Union before the withdrawal date."

This is odd: how could the UK ensure that "members of Union institutions...and other servants of the Union" respect "the obligations incurred by them"? Does it perhaps mean those people who are British citizens working for the Union? But surely British citizens will no longer work for the Union after Brexit. It makes no sense otherwise but perhaps that is not what is meant by this clunky text. If not, what does it mean?

"The Agreement should set up an institutional structure to ensure an effective enforcement of the commitments under the Agreement, bearing in mind the Union's interest in effectively protecting its autonomy and its legal order, including the role of the Court of Justice of the European Union."

This confirms, again, that the role of the CJEU is to protect the "autonomy and legal order" of the EU.

"The Agreement should include provisions ensuring the settlement of disputes and the enforcement of the Agreement. In particular, these should cover disputes in relation to the following matters:

1 - continued application of Union law;"

We can expect any such disputes to be adjudicated by the CJEU, which will bind the UK into continuing obedience to EU law. The CJEU is an activist court that is charged with interpreting EU law to further the aims of the EU. In other words the judges are not politically independent and do not rely on an impartial reading of the written law; they are in place to determine what the law, Treaties and so on say to meet the EU's current objectives.

"In these matters, the jurisdiction of the Court of Justice of the European Union (and the supervisory role of the Commission) should be maintained. For the application and interpretation of provisions of the Agreement other than those relating to Union law, an alternative dispute settlement should only be envisaged if it offers equivalent guarantees of independence and impartiality to the Court of Justice of

the European Union."

The first sentence is as clear as it gets. The second implies that the CJEU is independent and impartial but it is neither.

"The Agreement should foresee that any reference to concepts or provisions of Union law made in the Agreement must be understood as including the case-law of the Court of Justice of the European Union interpreting such concepts or provisions before the withdrawal date. Moreover, to the extent an alternative dispute settlement is established for certain provisions of the Agreement, a provision according to which future case-law of the Court of Justice of the European Union intervening after the withdrawal date must be taken into account in interpreting such concepts and provisions should be included."

This is not so clear but amounts to the same thing; the UK will remain bound by the Commission and the ECJ.

"In line with the Statement of the Heads of State or Government of 27 Member States, as well as of the Presidents of the European Council and the European Commission, these negotiating directives establish the detailed arrangements governing the relationship between the Council and its preparatory bodies, on the one hand, and the Union negotiator on the other."

That wraps it up - it's a mandate.

# [C] **Draft guidelines following the United Kingdom's notification under Article 50 TEU** [Treaty on European Union] (29 April 2017)

https://ec.europa.eu/commission/publications/european-council-article-50-guidelines-brexit-negotiations en

This document preceded, and perhaps was replaced by, the Directives after approval from the Council and Parliament. (See above and our Divorce Guidelines in April 2017.)

"European integration has brought peace and prosperity to Europe and allowed for an unprecedented level and scope of cooperation on matters of common interest in a rapidly changing world. Therefore, the Union's overall objective in these negotiations will be to preserve its interests, those of its Member States, its citizens and its businesses."

Unfortunately the first claim is not intended ironically; they mean it. But we can include this under the heading of 'alternative facts', better known as 'lies'. Certainly the level and scope of integration ("cooperation" is questionable) is unprecedented. The rest of the world may be changing rapidly but the EU is extremely ponderous in adapting or dealing with it. It is capable of adapting rapidly to internal crises if they threaten the interests of the Project itself or the interests of its most powerful member(s). The whole of this first sentence is propaganda, as is clear from the next word, "Therefore", which seeks to persuade us that "the Union's overall objective in these negotiations will be to preserve its interests..." Even if we believed the propaganda we would see that the misuse of 'therefore' does not lead to the objective. Of course, we cannot doubt that the EU will seek to preserve its own interests. It is significant that they feel a need to justify this and that the best argument they can come up with is a statement of the obvious produced by flawed logic from a false premise.

"Businesses and other stakeholders will lose the predictability and certainty that come with EU law."

This is characteristic of the deceptions that the EU imposes on us. In the absence of any persuasive case for loving the project they have to resort to dishonest propaganda such as this. The only "predictability and certainty" that we witness are the inexorable growth of regulation and the irreversible transfer of power from member states to the Union.

"In these negotiations the Union will act as one."

During the Brexit negotiations the UK remains a member of the Union, so this claim is obviously untrue. It could be propaganda or wishful thinking or another example of the pressure the EU Commission likes to put on its members to conform to its expectations. Most likely it signals a

combination of all three. Even if the statement is intended to refer to the other 27 member states, it is already clear that the normal, and expected, self-interest of all parties will condition any outcome. The EU's institutions will pursue their own interests, regardless of any interest of the members. Some member states are already raising issues that are not relevant to Brexit but which they hope will enable them to make some progress behind the steamroller. Examples include Greece and the Elgin marbles, Spain and Gibraltar.

"It [the European Council] further reiterates that any agreement with the United Kingdom will have to be based on a balance of rights and obligations, and ensure a level-playing field."

There is no reason to claim that a non-member should have general "rights and responsibilities" other than those specified in any agreement with the EU. And "a level-playing field" hints at the expectation that the UK will remain under the jurisdiction of the ECJ, which will then be able to control and limit the UK's opportunities as an independent nation, for example with regard to the expected harmonization of tax regimes.

"In accordance with the principle that nothing is agreed until everything is agreed, individual items cannot be settled separately."

This 'principle' is one the EU has invented for the purpose of controlling the Brexit negotiations, it has no basis in law but is just a statement of how the EU intends to proceed. Except that it doesn't mean it. The terms of the 'divorce' (the Withdrawal Agreement) must be agreed before anything else is agreed. Is this an example of where the EU is being flexible with its own 'principles'. They break "everything" into packages for their own convenience and then apply their principle to the UK within each package.

"Article 50 TEU requires to take account of the framework for its future relationship with the Union in the arrangements for withdrawal. To this end, an overall understanding on the framework for the future relationship could be identified during a second phase of the negotiations under Article 50."

They do not intend to follow their own rules, as laid out in the treaties. The first phase of the negotiations cover "the arrangements for withdrawal" and should therefore "take account of the framework for its [the UK's] future relationship with the Union". And then "an overall understanding on the framework for the future relationship could be identified" (emphasis added).

It is clear that they do not intend to honour this treaty requirement.

"Negotiations should seek to prevent a legal vacuum once the Treaties cease to apply to the United Kingdom ..."

How could anyone argue with this, unless they understand what it implies. In the view of the EU a legal vacuum exists where the ECJ does not have jurisdiction.

"The European Council expects the United Kingdom to honour its share of international commitments contracted in the context of its EU membership."

This too sounds reasonable, until we realise that the UK's share of international commitments are matters open to discussion – but this is a mandate so the EU will tell us what our commitments are; or more likely wait until the UK says what it is willing to pay and then say no, until we find the 'right' figure, which they are not revealing.

"The European Council remains committed to drive forward with ambition the priorities the Union has set itself."

This is not in doubt but it's helpful to see it confirmed so clearly. The priorities include getting all member states into EMU and the single currency, as well as continuing the upward suction of 'competences' to the Commission until the supra-national state is fully formed ("Political Union").

[D] White Paper on the Future of Europe Reflections and Scenarios for the EU by 2025 (1 March 2017)

https://ec.europa.eu/commission/sites/beta-political/files/white\_paper\_on\_the\_future\_of\_europe\_en.pdf

"...our thoughts are with those before us whose dream for Europe has become a reality."

The story of how the EU came into being is revealing, for anyone who has the patience. We recommend *The Great Deception* by Christopher Booker and Richard North.

"Sixty years ago, inspired by that dream of a peaceful, shared future, the EU's founding members embarked on a unique and ambitious journey of European integration."

It is possible to share the future without being forced into a common mould. The dream is alive, if not too well, and continues to drive the project. This dream of integration is the source of its greatest weaknesses. The ideology, which is what it has congealed into, overrides all practical considerations and leads to actions, and claims, that are antithetical to the desires and expectations of its citizens.

"The Lisbon Treaty... has opened a new chapter of European integration that still holds unfulfilled potential."

In case anyone should doubt that continuing integration is the overriding goal.

"These developments [e.g. unbalanced economic recovery, youth disadvantage] have fuelled doubts about the EU's social market economy and its ability to deliver on its promise to leave no one behind and to ensure that every generation is better off than the previous one. This has been particularly felt within the euro area, <u>highlighting</u> the need to complete the Economic and Monetary Union and strengthen the convergence of economic and social performances." (emphasis added)

Platitudes are not a satisfactory substitute for a cogent argument. There is justification in neither theory nor experience for the claim that completing EMU will do anything to remedy "these developments". In fact EMU is an immediate objective, contributing, as they see it, to the completion of the project as a supra-national state. If they could show a causal link from economic and monetary union to growth, prosperity or balance they surely would.

"Many of the profound transformations Europe is currently undergoing are inevitable and irreversible."

This is ambiguous but allows us to interpret the authors as pointing out, subtly, that their project is driven by considerations other than practical outcomes ("inevitable") and that they are in one direction only, the supra-national state ("irreversible"). To interpret this statement as bland patter is to fall for the propaganda and the deceit that between them more usually disguise the nature of the EU project.

"The starting point for each scenario is that the 27 Member States move forward together as a Union."

Some of the scenarios seem to contradict this sweeping claim, notably Scenario 3 ("Those who want more do more").

We can skip over the five scenarios that form the bulk of the White Paper. As options they don't tell us anything specific about the "inevitable" and "irreversible" transformations that will be decided on. (For more detail see Our Commentary on the White Paper and More on the White Paper, in March 2017.)

The European Commission will produce a series of reflection papers including on "deepening the Economic and Monetary Union, on the basis of the Five Presidents' Report of June 2015". (See our commentary on the Five Presidents Report in May 2016 and further notes on it below – section K.)

#### [E] Special Eurobarometer 451: Future of Europe (December 2016)

http://ec.europa.eu/COMMFrontOffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/SPECIAL/surveyKy/2131

"Survey requested by the European Commission, Directorate-General for Communication and coordinated by the Directorate-General for Communication

"This document does not represent the point of view of the European Commission. The interpretations and opinions contained in it are solely those of the authors."

Although the EU commissioned this opinion survey they don't want to own the results, so we needn't dwell on this document.

However, the flavour of the survey can be gauged from one question, which produced the conclusion that "Most Europeans agree that the EU project offers a future perspective for Europe's youth"

Who could explain what "a future perspective" means? However, despite the absurdity of the question, some 39% of those asked disagreed with the claim. (In the Conclusion, 60% agreement becomes "a large majority".)

The claim that "most Europeans agree" is based on a projection from national samples of about 1,000 from each of the member states, which is not Europeans more widely. Eurobarometer don't say how the samples were selected but in other contexts organisations that are in favour of the Union are asked to put up samples. This is the oft-repeated sleight of hand used by the EU as a feature of its propaganda, and its ambition.

Two other "interpretations and opinions" are worth picking out, while we remain mindful that the document does not represent the point of view of the European Commission. (How could it? It's a survey of the population.)

Fewer than 15% of those surveyed agree that the introduction of the euro in all EU countries would be "most helpful for the future of Europe". And fewer still agree that a common army would be helpful. Both are priorities for the EU so will go ahead despite this lack of enthusiasm on the part of its citizens.

## [F] The Bratislava Declaration (16 September 2016)

http://www.consilium.europa.eu/en/policies/future-eu/bratislava-declaration-and-roadmap/

This document was published following a meeting of the European Council. It illustrates the limits of what can be agreed across the Union at government level ("Unity" is another EU propaganda fiction).

"In the aftermath of the wars and deep divisions on our continent, the EU secured peace, democracy and enabled our countries to prosper."

This they have to keep repeating until we all submit. Peace was not evident in the Balkans, democracy is debarred in the EU, and not all of "our countries" are prospering.

"We should inject more clarity into our decisions. Use clear and honest language."

Yes, they should be honest (who would disagree) but we cannot expect this as they have much to hide about their ideology and priorities.

"We are determined to find common solutions also as regards issues where we are divided; priority here and now to show unity and <u>ensure political control over developments</u> in order to build our common future" (emphasis added)

This is perhaps sufficiently honest for our purpose – to show the true agenda. The priorities are indicated by "show unity", "political control" and "common future". In the light of current crises unity is questionable. However, given the lack of unity, we acknowledge that a common future could only be achieved through political control. This remains at the core of the project and it appears that all 27 governments represented at the summit were prepared to continue to delegate political control upwards without reference to the wishes of their citizens.

"Create a promising economic future for all, safeguard our way of life and provide better opportunities for youth"

Three cheers! And better luck will be needed than has been evident over the past few decades. (What is "our way of life"? And how many Greeks want their way of life safeguarded?)

We know that politicians lie and dissemble as easily as they breathe but our responsibility as citizens is to question their nonsense and, where we can, to challenge it.

#### [G] State of the Union 2016 (14 September 2016)

https://ec.europa.eu/commission/state-union-2016\_en

From the annual presentation given by the President of the European Commission to the European Parliament. As we should expect, much time and space are spent on boosterism, most of which can be ignored, though we grind our teeth at the volume of dissembling and propaganda. For this analysis we pick out some items that illustrate where this project is heading.

"...our State of the Union moment here in Europe shows very visibly the incomplete nature of our Union." (p.7)

"Is this not the time when Europe needs more determined leadership than ever..." (p.7)

These confirm that more EU ("more Europe") is to be expected and that it will take the form of a strong ("determined") supra-national government.

"Europe can only work if we all work for unity and commonality, and forget the rivalry between competences and institutions."

Of course they would like us – and our governments – not to think about inter-institutional competition ("rivalry") and the relentless transfer of powers ("competences") upwards. Rivalry, or competition, is the fuel of innovation. If we forget that, our institutions ossify and only revolution will invigorate them again. Evolution is safer.

"What our citizens need much more is that someone governs." (p.8)

"Because in our incomplete Union, there is no European leadership that can substitute national leadership." (p.12)

But all EU citizens are governed – by the national governments they elect and are allowed to dismiss periodically.

"But she [Federica Mogherini, the EU's High Representative and Commission Vice-President] needs to become our European Foreign Minister via whom all diplomatic services, of big and small countries alike, pool their forces to achieve leverage in international negotiations." (p.18)

A foreign minister needs a foreign ministry, which they stress is a key feature of their supra-national government-in-the-making.

"...the 'Five presidents' report' on the deepening of the euro area describes an ambition the Commission is still sticking to." (p.58) (See comments on the report below and in the Five Presidents Report from April 2016.)

"The Commission which I have the honour to lead seeks to be a political Commission..." (p.64)

Yes, our point throughout our blog. If you had any doubt surely this removes it.

# [H] Consolidated versions of the Treaty on European Union [TEU] and the Treaty on the Functioning of the European Union [TFEU] (Official Journal of the European Union C202. 7 June 2016)

(p.15ff) "...HER MAJESTY THE QUEEN OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND ..." [et al] (Just a few highlights.)

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:C:2016:202:TOC

"RESOLVED to achieve the strengthening and the convergence of their [the member states] economies and to establish an economic and monetary union including, in accordance with the provisions of this Treaty [TEU] and of the Treaty on the Functioning of the European Union, a single and stable currency...

"RESOLVED to implement a common foreign and security policy including the progressive framing of a common defence policy...

"RESOLVED to continue the process of creating an ever closer union among the peoples of Europe "HAVE DECIDED to establish a European Union..."

"By this Treaty, the HIGH CONTRACTING PARTIES establish among themselves a EUROPEAN UNION, hereinafter called 'the Union', on which the Member States confer competences to attain objectives they have in common."

"The Union shall pursue its objectives by appropriate means commensurate with the competences which are conferred upon it in the Treaties."

This is as good a summary of the ambitious project as we can find, particularly as each member state's government has signed the treaties. "*Member States* [agreed to] *confer competences*" (which means powers to legislate and to act). We are left in no doubt who will decide what objectives the member states have in common.

# [J] COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE EUROPEAN CENTRAL BANK (Brussels, 21.10.2015)

#### On steps towards Completing Economic and Monetary Union

https://ec.europa.eu/transparency/regdoc/rep/1/2015/EN/1-2015-600-EN-F1-1.PDF

"The architecture of the Economic and Monetary Union (EMU) has been significantly strengthened over the past years to enhance economic governance and to achieve financial stability. Nevertheless, the EMU's resilience needs to be further reinforced in order to re-launch a process of upward convergence..."

This confirms, if confirmation were required, that EMU has been at the core of steady progress towards supra-national governance and that it will remain the focus for continuing progress to that end. It also confirms the unsupported conviction that the purpose of EMU is "to achieve financial stability." They provide no evidence to back up this claim, which experience suggests is false.

"The Five Presidents also agreed on a roadmap for implementation that should consolidate the euro area by early 2017 (Stage 1 – "deepening by doing"). In this first stage, which started on 1 July 2015, action would build on existing instruments, also by making the best possible use of the existing Treaties. Then, on the basis of benchmarks for a renewed upward convergence of the euro area economies, more fundamental reforms should be undertaken, moving to a medium- to long-term vision for new growth perspectives (Stage 2 – "completing EMU")."

We have seen (above) that the existing treaties, TEU and TFEU, provide the EU with both the "competences" and the "appropriate means" to achieve their goals, which are first-and-foremost consolidation, deepening and convergence.

In other contexts 'convergence' has a political meaning but here "upward convergence" refers to national economies. The source of "benchmarks" is not specified but a reasonable assumption would be that the most successful euro-area economies would be used to provide targets for convergence. As so often, this sounds reasonable until one looks at actual economies, comparing for example Germany (benchmark?) with Greece (basket-case?). As soon as one does this the absurdity of setting benchmarks with legal force becomes all too clear. (See section K below to find that the "convergence process would be made more binding through a set of commonly agreed benchmarks for convergence that could be given a legal nature".)

Apart from the propaganda value it was barely worth mention a "vision for new growth perspectives", since visions and perspectives have no practical value in themselves. We could suspect substanceabuse here, were it not that ideology-abuse is sufficient. When reading anything from the EU it is important to distinguish propaganda from deceit and from the overriding goal.

"This Communication and its accompanying proposals take forward key elements of Stage 1 of the process [described in the Five Presidents Report, and see below] to deepen EMU."

The "package of measures" the document lists are all directed towards the overriding goal, wrapped in propaganda and spiced with deceit, because they know that the goal itself would be unacceptable to a majority of its citizens, who will be denied any opportunity to resist or redirect the project.

"Given the deeper interdependence of euro area countries and the higher potential for spill-over effects among countries which share the single currency, enhanced coordination and stronger surveillance of the budgetary processes and economic policies of all euro area Member States is necessary."

This is clear, and more honest than usual. The euro is the key mechanism by which economic and monetary union will be achieved. The single currency was imposed, with the aid of propaganda and deceit and now, to make it work properly, "enhanced coordination and stronger surveillance" are needed. A dim view of the truth can sometimes be discerned through the layers of veils.

"The Commission has already taken steps to enhance the focus on employment and social issues in the context of the European Semester and the process of deepening of EMU. ... Country-specific recommendations in these fields were addressed to most Member States."

"Recommendations" in this context amount to instructions handed down from Brussels, with legislative backing (see Footnote\* below). Contrast this with, "Of course, this is mainly a task of national governments" from J-C's state of the union speech in September 2016 (above). While formal EU communications, such as this one, merely dissemble to hide the truth, J-C lies and did so throughout his SOTEU speech. J-C wants us to believe that member states are failing to deliver strong economies with growth and prosperity; this is used to justify the imposition of economic and monetary union, benchmarks, "surveillance" and a euro-area budget (drawn of course from national budgets – how does that help?)

"Convergence towards best practices in the employment and social policy field should contribute to a better functioning and legitimacy of the EMU project. In the short term, such upward convergence could be achieved through the development of common benchmarks..."

Yes, the ability of member states to improve their social and employment practices is needed to legitimise the EMU project. However, if members do not improve it will be their own fault. Thus the EMU project is an imposition, not a experiment based on sound theory and experience.

"The Commission also confirmed its intention to put forward a European pillar of social rights, which would build on the existing "acquis" and serve as a compass for the overall convergence process."

Why not pursue best practice as an end in itself? Why should the purpose be to promote convergence? The answer, as always, is 'it's the ideology, stupid!'

"The Five Presidents' report emphasises the use of benchmarking and cross-examining performance in order to achieve convergence and reach similarly resilient economic structures throughout the euro area. Cross-examination aims to identify underperformance and support convergence towards best performers..." (p.6)

Any of the above, including benchmarking, could provide valuable advice to nations. None of it supports the case for supra-national management and control, which is the main purpose of the EU and EMU.

"In order to complete EMU, greater responsibility and integration at EU and euro area level must go hand in hand with institutional strengthening." (p.11)

By "institutional" they mean the EU's institutions, including the Commission, the Council and the Parliament. It's less clear what the authors mean by "greater responsibility and integration" but we assume that responsibility is to be shown by the member states, which must hand over still more sovereignty.

Footnote: \*["To support structural reforms in line with the common economic priorities set at EU level, the Commission will seek to enhance the use of the European Structural and Investment [ESI] Funds in support of key priorities highlighted in the country-specific recommendations, including through the use of the measures linking effectiveness of these Funds to sound economic governance.

<u>The new legal framework</u> requires that programmes co-financed by ESI Funds address all relevant country-specific recommendations." (p.6 - emphasis added)]

# [K] Completing Europe's Economic and Monetary Union (The Five Presidents Report – European Commission. 15 June 2015)

https://ec.europa.eu/priorities/publications/five-presidents-report-completing-europes-economic-and-monetary-union en

This is largely a public relations and propaganda document, as many of the following quotations show. But the true agenda also emerges occasionally through the mists of propaganda, specious claims and outright deceit (see our more detailed analysis in Five Presidents Report from 30 May 2016).

"The Euro Summit of October 2014 underlined the fact that 'closer coordination of economic policies is essential to ensure the smooth functioning of the Economic and Monetary Union' (EMU). It called for work to continue to 'develop concrete mechanisms for stronger economic policy coordination, convergence and solidarity' and 'to prepare next steps on better economic governance in the euro area'."

EMU is the objective and they need to keep their eyes on us to make sure that we (i.e. nation states) are coordinating, converging and becoming solid so that they can take the next steps towards their supra-national state.

"The euro is more than just a currency. It is a political and economic project. ... This common destiny requires solidarity in times of crisis and respect for commonly agreed rules from all members."

#### However:

"There is now significant divergence across the euro area. ... Today's divergence creates fragility for the whole Union. We must correct this divergence and embark on a new convergence process."

In practice the pre-defined rules were broken by the powerful members, Germany and France, when it suited them (the Growth and Stability Pact for example) and the ad hoc rulings to overrule the little voices of Greece and Ireland were imposed to suit the Bundesbank. The Greek "solution" is well known and has ensured a decade of devastation for its people with no end in prospect. In Ireland the entire losses of its banks were borne domestically while foreign banks (especially German, French and British) were let off. Irish savers and investors took "financial haircuts" but bail-out loans were imposed to pay back the overseas banks, shifting the remaining burden to Irish taxpayers. So much for solidarity. We don't think this is what they mean by 'divergence'.

Divergence will be corrected by more union:

"Progress must happen on four fronts: first, towards a **genuine Economic Union** .... Second, towards a **Financial Union** ...Third, towards a **Fiscal Union** ... And finally, towards a **Political Union** ..."

This summarises the true agenda of the EU. The goal is political union and the first three unions are the means by which the fourth, and most important, will be achieved. Meanwhile:

"All four Unions depend on each other. Therefore, they must develop in parallel and all euro area Member States must participate in all Unions."

Note "must", twice. This is political reasoning, based neither in theory nor in experience. We must submit because their ideology says so, not because there is anything in the natural or intellectual world that we are have no choice but to conform to. We see this pretend-logic again in today's Brexit negotiations, where 'options' are chosen and presented in the mandate as inevitable.

"This will inevitably involve sharing more sovereignty over time."

"Inevitably" only because they will make laws to ensure that the nation states fall in line under the super-nation.

"For the euro area to gradually evolve towards a genuine Economic and Monetary Union, it will need to shift from a system of rules and guidelines for national economic policy-making to a system of

further sovereignty sharing within common institutions, most of which already exist and can progressively fulfil this task. In practice, this would require Member States to accept increasingly joint decision-making on elements of their respective national budgets and economic policies."

At present we have the rules and guidelines. But that is just a step towards the EU taking charge of each nation's budgets and policies, which is what they mean by "joint decision-making". How else could decisions be made and enforced other than by a supra-national body that has full power?

"Specifically, during this second stage, the convergence process would be made more binding through a set of commonly agreed benchmarks for convergence that could be given a legal nature."

"The notion of convergence is at the heart of our Economic Union: convergence between Member States towards the highest levels of prosperity..."

This pair illustrate the depths of deceit on which progress towards the supra-national state is founded. In one sentence convergence means towards increasing prosperity, in the other sentence it means towards legally-enforceable benchmarks. Stick and carrot; buy the carrot and accept the beating. Except that there is no reason to believe that prosperity will follow from convergence. The document is almost entirely devoted to glorifying EMU (propaganda), promoting its necessity for prosperity (specious claims) and announcing how successful it is (lies). Where it is not successful it is the fault of the member states for not converging enough; this is used to justify the underlying ideology towards political union, which is what the EU is really about.

"For convergence to happen between euro area members, further progress is required. First, in the short term (Stage 1), we need to set in motion a renewed effort for all to converge towards the best performance and practices in Europe, building upon and further strengthening the current governance framework."

This raises several questions: first, are the best performances (presumably Germany's) good enough? Second, why should we believe that more central governance is the effort that is needed? Third, what lies behind (or under) the claim that further progress is required for convergence to happen (reversing the sequence to highlight the peculiar logic)? One interpretation is that "further progress" means "further strengthening the current governance framework", which in turn means more political union, and that means pulling more powers up to the EU institutions, principally the Commission. We remember that powers ('competences' in the jargon) once delegated upwards are never returned to national level. The fourth question is why they believe (and so we should also) that they have the ability, once they have the power? Fifth, is there a flicker of doubt in the next sentence?

"The ultimate aim is to achieve similarly resilient economic structures throughout the euro area. This should lead to a new boost for jobs and growth with competitiveness and social cohesion at its core."

In the absence of any theory or experience that could justify these specious claims, the "should" perhaps tells us that we should doubt what they seem unwilling to. So far, social cohesion is more apparent in its loss than its increase in many states, with the growth of political extremes. However:

"In Stage 2, this convergence process would be formalised and would be based on a set of commonly agreed standards with a legal character. Significant progress towards the latter would be regularly monitored and would be a condition for members to benefit from further instruments, such as a shock absorption mechanism to be set up for the euro area as a whole."

The flicker, if that's what it was, has gone out; we're immediately back to full-blown over-confidence in their own ability, even if that ability is only to make laws and then blame the nation states for not obeying them sufficiently assiduously to achieve the results that they have no doubt would follow. The EU will create the laws and regulations and will see to it that the subservient member states obey. But implicit is that it will be the member states which have to make significant progress towards the agreed standards, and if any don't make the significant progress then they won't be eligible for the beneficial instruments.

Three main sections of the Report are titled: Towards Economic Union, Towards Financial Union and Towards Fiscal Union. The fourth, which might fairly be titled Towards Political Union, is in fact titled Democratic Accountability, Legitimacy and Institutional Strengthening. We've already noted the

fudge involved in defining 'convergence' as progress towards both prosperity and the supra-national state and in the choice of this fourth section title the fudge become outright deceit.

We can skip over the details that follow, to the fourth section, on Political Union, which for this purpose is known to the Presidents as "Democratic Accountability, Legitimacy and Institutional Strengthening".

We can fairly take "Institutional Strengthening" to mean political union. This is too sensitive to make explicit and the authors (the Presidents) want us to believe something else, that the juxtaposition of institutional strengthening with democratic accountability and legitimacy carries a causal connotation: institutional strengthening will lead to democratic accountability and legitimacy. Or, to put it more bluntly but even less plausibly, the proposed political union is democratic and therefore legitimate.

This implausibility is what the EU wants to hide; they want us (both member states and citizens) to believe that the EU is truly democratic and that the Union can deliver prosperity (while in fact they have done away with democracy).

To the EU mandarins "greater democratic accountability, legitimacy and institutional strengthening... means and requires more dialogue, greater mutual trust and a stronger capacity to act collectively."

This section on political union (sorry – on "Democratic Accountability, Legitimacy and Institutional Strengthening") is, perhaps not surprisingly, thin on democracy, on accountability, on legitimacy and on political union itself. There is reference to strengthening parliamentary oversight but this is not explained, unless it means only what are called "Economic dialogues", which is elaborated somewhat. For example, "the European Commission could engage with the European Parliament at a plenary debate... Commission and Council representatives could participate in inter-parliamentary meetings in particular in the context of the European Parliamentary Week."

In sum 'democracy' as used in the EU seems to amount to talking among themselves. Citizens need not reply.

"As a rule, national Parliaments should be closely involved in the adoption of National Reform and Stability Programmes."

That's as generous as it gets, except when they don't wish the rule to apply. The Presidents don't say what they mean by "closely involved" but we may assume that national parliamentarians should listen politely to the EU representatives who will be sent to give them their instructions ("recommendations").

Nowhere do the authors declare that democracy requires active participation by citizens, let alone that those citizens should have the right and the ability to dismiss their government.

"As EMU evolves towards Economic, Financial and Fiscal Union, its external representation should be increasingly unified."

That will avoid the nuisance of national representatives, from France and the UK notably, confusing international bodies such as the UN and the IMF.

"The European Stability Mechanism has established itself as a central instrument to manage potential crises. However, largely as a result of its intergovernmental structure, its governance and decision-making processes are complex and lengthy. In the medium term (Stage 2), its governance should therefore be fully integrated within the EU Treaties."

Another planned step on the way to supra-national governance. It's more efficient and reliable to tell the nations what to do rather than consult them.

[If you read this far you may be interested to dip into our website, on the same EU-sceptic theme. It's www.eurout.net]