

# Blair steps up campaign against “old Europe”

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Prime Minister Tony Blair’s speech to Parliament on June 20 made clear that his demand for reform of the Common Agricultural Policy (CAP) and insistence on keeping Britain’s European Union rebate was only a device for pursuing more fundamental economic and geo-strategic aims.

Having successfully scuppered last weekend’s EU summit by insisting that any discussion on reducing Britain’s rebate had to be tied to CAP reform, particularly the amount of subsidies given to France, Blair is now attempting to restore his previously friendly relations with the eastern European accession countries.

The former Stalinist regimes are considered to be natural allies of Britain’s campaign against European political and economic union under the hegemony of Germany and France. They are viewed as favourable to the unregulated free-market nostrums championed by Blair and to his US-oriented foreign policy.

However, the east European states are economically dependent on EU subsidies in general and have been looking forward to gaining a greater share of CAP finances under the new budget arrangements. Though relatively small sums are involved, these are crucial for states anxious to prop up their ailing economies and pay for restructuring and infrastructure projects.

Thus, Blair was dismayed at Brussels by the support offered by Poland and the rest of eastern Europe to French President Jacques Chirac, despite his previous attacks on them for supporting Washington over the Iraq war.

In his speech to Westminster, Blair maintained his intransigent and bellicose tone towards Brussels, while making clear that he is ready to discuss concessions that will allow the budget to be passed during Britain’s upcoming six-month presidency of the EU. Blair is to make his inaugural speech in this capacity on June 23.

He told parliament that he had no regrets, and that, without a commitment to CAP reform, the EU budget was one he “simply could not recommend to this house.” He dismissed what he called “the usual cobbled-together compromise” over the budget, but stressed, “I understand

fully the concerns of the new European countries. They want an agreement. We will do our best to secure such an agreement and make sure it is one that meets their needs.”

He even had no objection in principle to Luxembourg’s compromise proposal to freeze Britain’s rebate at slightly below its present level for the lifetime of the budget. And under a new deal it may be the case that Britain would have to pay more.

Blair’s readiness to abandon his supposedly intransigent stance confirms that he knew all along that the rebate was indefensible. The prime minister had complained that it was unfair that some 40 percent of EU subsidies went towards financing farming, which represents less than 2 percent of EU output.

His figures are misleading as the EU budget represents just 1 percent of the EU’s total GDP, and agriculture is the only area that has been transferred from the budgets of national governments to the EU budget. And, far from the EU refusing to tackle agricultural subsidies, in the last period CAP has been slashed almost in half, from 70 percent to 40 percent of the budget.

For Chirac to accept further inroads against CAP would have been tantamount to political suicide. Agricultural subsidies have long been used to shore up support for the Gaullists and to provide a social base in the rural bourgeois and petty-bourgeois strata to counter the pressure from the working class. To agree to a further “reform” of this arrangement was not possible under conditions where France’s ruling political elite have suffered a major blow with the rejection by the working class of the proposed EU constitution and its attendant prescriptions for greater cutbacks in social protections.

Blair is seemingly oblivious to the dangers of provoking a social explosion in Europe. As far as he is concerned, Chirac’s difficulties, the “no” vote in the Netherlands and the losses suffered by Germany’s ruling Social Democratic Party in recent polls—forcing Chancellor Gerhard Schröder to go for early elections in September—are all merely an opportunity to press ahead with Britain’s plans for the EU.

This is confirmed by the reaction of Foreign Secretary Jack Straw and Britain's EU commissioner, and one of Blair's closest allies, Peter Mandelson.

Following the EU summit, Straw said, "Out of this sad day there is an opportunity to reconnect." Divisions within Europe were essentially "between whether you want a European Union that is able to cope with the future or a European Union that is trapped in the past."

Writing in the *Guardian*, Mandelson said that the crisis could be used to "cathartic effect." The EU faced a stark choice: "painful reforms, or economic decline."

The British government is openly basing its prospects for success on regime change in France and Germany. It hopes for the defeat of Germany's Social Democrats in September's elections by the right-wing Christian Democratic Union led by Angela Merkel, who has made favourable statements regarding Blair's economic policies and his orientation towards Washington.

Similarly, it counts on the possibility that Nicholas Sarkozy will replace a hamstrung Chirac in 2007. The Gaullist party chief is noted for his right-wing economic policies and his belief that the old Franco-German alliance has outlived its usefulness. He reacted to the failure of the EU summit by stating that there should be no further EU expansion and that the way forward was "to create a new motor for the building of Europe" based on Britain, France, Germany, Italy, Poland and the Benelux countries.

As Mandelson put it, "A new consensus can be found in Europe. You don't have to know much about the political situation in France and Germany to realise that. The time is ripe for the British government to go out on the front foot."

The sharpening of antagonisms between the major European powers is indicated by the enthusiastic support for Blair's position from the normally anti-EU Conservative opposition and also from the pro-European Liberal Democratic Party. Conservative leader Michael Howard declared that, for once, there were "more aspects that we can agree on than usual," whilst Blair's parliamentary remarks were cheered by backbench Tories.

Liberal Democrat leader Charles Kennedy insisted that it was necessary to support the government, adding that whereas "the responsibility is ours to try and build a new consensus ... being pro-European in no sense excludes being pro the reform of European institutions for the better."

Most of the British press has welcomed Blair's decision to appeal to European public opinion over the heads of the

leaders of what is referred to as "old Europe," mimicking US Defence Secretary Donald Rumsfeld's pejorative reference during the Iraq war.

Blair has described his campaign in his usual flowery rhetoric as an appeal to the "People's Europe." But he is only speaking to the right people—the representatives of major business interests in Europe and internationally. He is seemingly oblivious to the fact that the majority of Europe's population is hostile to his demands for economic restructuring that they will be forced to pay for through cuts in wages and vital social services.

The recklessness of his position is emphasised by his indifference to the very real difficulties confronting his European counterparts in imposing such measures on a hostile and combative population.

Blair's slash-and-burn policy sets out to destroy a complex series of postwar social and political arrangements that were not only about freeing up markets and ensuring the necessary collaboration between the European powers. They were essential in order to stabilise the continent in the aftermath of World War II and to head off the threat of social revolution at a time when the European bourgeoisie and the profit system itself had been discredited by the horrors of fascism.

For Blair this is all a thing of the past. A pliant tool of the financial oligarchy, he is motivated by the most narrow pragmatic considerations—a desire to utilise his relations with Washington to bolster British influence in Europe. He has no conception of the forces his actions threaten to unleash. At the very point where the European bourgeoisie requires a degree of unity against their most important enemy—the European working class—he has embarked on a course that threatens the political and social destabilisation of the continent.



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