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# "Power to the People — A Federal Britain in a Democratic Europe"

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David Martin, MEP

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David Hume Tower, Lecture Theatre 'A'  
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It is, indeed, a great honour to be asked to give the eleventh John P. Mackintosh Memorial Lecture here at The University of Edinburgh. I am flattered to be considered worthy of joining the company of other Memorial Lecturers such as the academics Ralph Dahrendorf and J. K. Galbraith and politicians such as David Lange and John Smith — just to mention a few of those who have given this lecture before me, either here at the University of Edinburgh or in East Lothian — two places closely associated with the memory of John P. Mackintosh the political scientist and political practitioner. John was one of the few people who have managed to fuse political theory and practice and maintain the integrity of both.

It was one of my predecessors, John Smith, in his 1987 Lecture "Prosperity and Justice: The Challenge of Modern Socialism" — the content of which, I suspect, we will be hearing a great deal more of in the coming months and years — who said that the idea of having an annual lecture to John's memory was particularly appropriate, and one of which he would have approved. Not least because of the obligation an invitation would put on the lecturer, particularly if he or she were a politician, to attempt the public articulation of their ideas or aspirations in something akin to an intellectual format. The reason being that, whatever it did for the audience, it might do some good to the performer.

I would agree with John Smith that this discipline is indeed one of the great benefits of giving the Lecture, and add that one of the great pleasures it gives is the excuse — if excuse is needed — to read and re-read the works of John P. Mackintosh and here I am especially indebted to our friend Bernard Crick the general editor of *John P. Mackintosh on Scotland* edited by Henry Drucker and *John P. Mackintosh on Parliament and Social Democracy* edited by David Marquand. In reading these selections, time and time again, I was confronted with the reality of what a visionary the man was: a visionary in terms of the role democracy should play in our political system; a visionary in terms of the constitutional position Scotland should have; a visionary in terms of our relationship with Europe.

Someone once said that the history of philosophy could be written as a series of footnotes to Plato. After re-reading John's essays and journalism it is clear that

much of today's political debate on Scotland and on Europe could be described as a series of footnotes to John P. Mackintosh. On reading certain pieces I had not come upon before, I would comment to myself, "yes, that's right", "exactly", "yes, that's the point I was making in such and such a speech or article I had written". It wasn't so much a case of *deja vous*, of having been here before, as much as John Mackintosh having been there before us.

If I can be allowed to give one example which is very relevant to the debate which is taking place in Scotland and the UK just now, and which will set the theme for what I want to go on to talk about. In a piece written in 1977 entitled 'The trouble with Stephen Maxwell' which was a response to an earlier piece from Stephen Maxwell entitled 'The trouble with John P. Mackintosh', John rightly attacks the unreality of independence for any state (other than a superpower) in the modern world. He points out that even the UK itself only has a degree of independence and then goes on to explain:

"I feel our control over what happens to us, and this is what self-government or democracy is about, is greatest not when one chases the unreal notions of independence at either the UK or the Scottish level, but when appropriate political forms are devised to give us as Scots the maximum self-determination, first at the Scottish level, secondly at the UK level and thirdly within Europe. It also so happens that this accords with the history of the Scots. We have only to recognise or to add a European dimension to the dual nationality (of being Scottish and British) to fit with the realities of modern political life".

As another Lothians MP, William Gladstone, once said: "You cannot fight against the future. Time is on our side". John Mackintosh's vision will be turned into a reality.

This, of course, is the John P. Mackintosh Lecture not a lecture about John Mackintosh, although that would be a fascinating subject in itself. What I hope my introduction has done is acknowledge my indebtedness, conscious or otherwise, to the thoughts of a man who saw a vision of the future more clearly than most, a vision based on democracy.

As Henry Drucker said in his Introduction to *John P. Mackintosh on Scotland* "The subject Mackintosh professed within the University, in parliament and Scotland, was democracy. No respecter of existing machinery of government, he strove constantly to make it more responsive and responsible to the citizens".

There are two arguments in favour of Scotland having its own parliament. One is the nationalist argument which says that Scotland is a nation and should be a nation state and therefore needs a parliament. The other argument is based on democracy and the belief that the people should have control over the decisions that affect their lives and that those decisions should be taken as close to the people as possible. This

is true for all people, not just Scots. You do not need to be part of a nation to take part in the decisions that affect your life. There is no logical reason why sometime in the future, the country which is referred to as Scotland should not have three, five or however many parliaments are needed to make democracy effective. Similarly, with England, or France, or any other country you care to mention. The present nation state is an historical phenomenon and neither it nor any political structure that existed prior to it, need preclude who in a democracy is entitled to a parliament in the future.

Democracy is about people having a say, not about nation states having a say. Sovereignty — the power to control what happens to us should reside with the people, not with parliaments whether they be in London or in Edinburgh. Parliament is where the people's representatives meet, not the mystical fount of all power. The 'people' itself is made up of a complex of persons. Persons are themselves complex and capable of a variety of allegiances and choices.

Here I want to take up another theme championed by Mackintosh and echoed by Bernard Crick in his Foreword to my book *Europe: An Ever Closer Union* — that of dual or multi-nationality. As Bernard put it: ". . . it is easily possible, indeed often enriching, to have graduated or relative allegiances, not all or nothing: Scottish and British, British and European" and I would add European and citizens of the World. As such we should have choices and representation at all these levels. Democracy always works better when decisions are made as a result of the interaction of many choices, rather than by 'the people' acting *en masse* as is supposed to have happened in the Soviet system.

Pure, or directly participative, democracy still perhaps, remains an ideal to be aimed at, rather than a principle which we can put into practice. What we have at this point in history is representative democracy. It is the job of the politician and political scientist to make sure that our representative democracy represents the people who elect it and not other interests. Clearly, on many levels — in Scotland, in Britain and in the European Community — that is not happening today. That is why we need change, change that will bring power nearer to the people. I believe that the change we are ready for now — that would bring greater power to the people — is the creation of a federal Britain in a democratic Europe.

There are a substantial number of people in Scotland in favour of home rule, i.e. a Scottish Parliament within the UK, with substantial influence in the European Community. The Scottish Constitutional Convention has just about got the proposals for the procedures and practices of a Scottish Parliament correct: election by proportional representation; powerful, multi-purpose committees run by a business committee; and particular provision for the rights and needs of women. I believe such a Scottish Parliament would be popular with, and accepted by, the majority of people. What is causing the problem is the 'within the UK' part of the proposition to

set up 'a Scottish Parliament within the UK'. The SNP uniquely believe it is the UK that is the problem but there are many, including Conservatives, who would accept home rule if the 'within the UK' part of the equation could be properly worked out.

The main stumbling block remains the relationship between the Scottish Parliament and Westminster, and the West Lothian question: why should Scottish MPs elected to a UK Parliament vote on non-Scottish domestic matters? The only satisfactory solution to this problem is federalism: UK MPs voting in a UK Parliament on UK issues, and national and regional representatives voting in regional parliaments on regional matters.

There are two directions in which we can move to reform, rather than abandon, the United Kingdom and they again illustrate the differences between the nationalist and the democratic route. The two routes are those of confederalism or federalism — I will return later to the dichotomy between these two, in the context of the EC, because I believe it raises fundamental philosophical issues for democrats, and especially democratic socialists.

But firstly a couple of brief definitions. A confederal system is a loose system in which certain powers are surrendered by treaty to a common government for the mutual advantage of the separate states. Central government exists only by virtue of agreement of the constituent states, and can only make laws for them if they agree to accept them. A confederal system operates by way of intergovernmental agreements, not by a government elected by the people. The European Community is often described as a confederation, many of whose members want to move to a federation based on a constitution. Federalism is a form of government in which power is constitutionally divided between different authorities in such a way that each authority exercises responsibility for a particular set of functions, and maintains its own institutions to discharge those functions. In a federal system each authority is sovereign within its own sphere of responsibilities, because the powers which it exercises are not delegated to it by some other authority. A federal government gains its legitimacy from the people not from treaties and there are many examples of successful federations: Switzerland, the United States, Australia and Germany.

There are two ways to set up a federal system. One route is by existing states agreeing, by constitutional treaty, to transfer certain of their powers over policy to a central government because those areas of policy can be better dealt with at that higher level. These policy areas usually include defence, foreign policy, and the issue of money.

A second route to a federal system can be taken by a previously unitary state devolving power. Thus the present British state could become a federal state, by Parliament devolving specified powers of government on Scotland, Wales, Northern

Ireland and the regions of England, which it would be prevented by a constitutional settlement from reclaiming. The first route maps out the path to European Union, the second to a Europe of the Regions.

A possible solution to the dissatisfaction with the constitutional position in Scotland, and one which would overcome the West Lothian Question, has recently been put forward by my colleague George Foulkes, in an article in the *Glasgow Herald* entitled 'Answer to West Lothian', and echoed by Tony Worthington and Alastair Darling. What George suggests is that there should be parliaments for Scotland, Wales, Northern Ireland and either "an elected English parliament, as for the other parts of the UK or, given the overwhelming size of England, for the English members of the UK Parliament to sit on their own to determine purely English legislation". If accomplished without the establishment of a constitution, this would basically be a confederal solution which would involve the re-negotiation of the 1707 Treaty of Union between Scotland and England. This would lead to the need for new treaties between the four new nation states. The main problem with this 'solution' is that it could be seen as a disguised form of independence, and would most likely lead to the break-up of the UK rather than its reform and improvement.

A much better solution would be the creation of a federal Britain based on a written constitution. There would be parliaments for Scotland, Wales, Northern Ireland and the regions of England. The House of Lords would be abolished and replaced with a Second Chamber of the Regions. This would be very much in line with the more modern and efficient governments in the European Community and would reflect the move towards subsidiarity and a Europe of the Regions developing within the EC as a counterbalance and compliment towards the creation of European Union.

I agree with the argument put forward in the 'Introduction' to *The Constitution of the United Kingdom* drawn up by the Institute for Public Policy Research (IPPR) that the proposals of the Scottish Constitutional Convention should be used as a model for general decentralisation of government across the United Kingdom. We should not only create an elected Parliament to control the responsibilities of the Scottish Office, but similar parliaments and powers for Wales, Northern Ireland and the regions of England. This would relieve Whitehall and Westminster of much domestic business and provide a tier of government to discharge responsibilities for transport, planning, and environmental and economic development more effectively than central government. This is already the case with most EC countries. Central government could then concentrate on major economic policy, taxation, social security, trade, foreign policy and defence.

The IPPR Constitution suggests that there should be 12 regional governments for England: Northern, North West, Yorkshire, West Midlands, East Midlands, Central, East Anglia, London, South East, South Central, Wessex, and South West. Rightly more emphasis is put on the drawing up of the boundaries of these regions, on

cultural factors such as regional and local identity and on social and economic geography than on uniformity of population or areas. Uniformity is not only unnecessary, but would be counter to the purpose of decentralisation.

The range of population size for the regional government of a federal Britain would range from 1.5m for Northern Ireland and the South West of England (that is the area covered by Cornwall and Devon) to 6.5m for London and the North West of England which is the area covered by Lancashire, Merseyside, greater Manchester, Cheshire and Cumbria. This range of population is considerably smaller than for regional government in Germany (650,000 to 16.5m), Italy (100,000 to 8.8m), Australia (450,000 to 5.5m), or France (235,000 to 10m). The IPPR proposals assume that there is no optimum size of population for the performance of any government function, and no need to tailor regions to produce a particular population. For political reasons they decided against a mega-region for London and the South East of England and revived the old *GLC* boundaries for London.

The IPPR fully accept that the proposals for the English regions will be controversial and require detailed justification — Professor Cornford hopes to publish a separate report on this aspect in the Autumn of this year and I eagerly look forward to it. However, he tells me that he now feels that the possibility of introducing a constitution for the UK has somewhat receded and that he is looking at decentralisation through the Spanish model of autonomous regions rather than through the German constitutional model. But, either way, what is immensely exciting is that modern detailed proposals are coming forward for routes to a federal Britain.

The main objection to the creation of a federal Britain, that there is no demand for regional parliaments in England, should be challenged.

From talking to my colleagues from England in the European Parliament, and judging from the enthusiastic response I have had at various conferences, to the concept of a Europe of the Regions, I believe the situation in England could be changing. There have certainly been some very interesting proposals for a regional government for the North of England from the Tyne Wear 2000 Group. They propose a form of 'interlocking' regional government for England and the UK which is very much based on the minority report of the Royal Commission on the Constitution (1973). By the interlocking principle they mean that every level of the government above the local will have two chambers. The first chamber will be elected directly and will be the one with major legislative and executive responsibility. The second chamber will have the right to veto and will be indirectly elected from the level below.

They go on to say: "At a national level a corresponding second chamber will be elected by the regional assemblies. This chamber will replace the position now occupied by the unelected House of Lords. This second chamber will have the right of veto particularly with regard to constitutional matters". Although they believe the

full scale establishment of a written constitution for the UK is only a long term objective they believe "interlocking government can be considered as a stage on the route to federalism".

If I am correct the forces of capitalism are facilitating the move towards the creation of a European Union to counter and compete with the Japanese and US economies. And if at the same time, there are opposite but complementary trends, in the post-Fordist development, towards smaller more flexible units of production then there will be economic devolution as well as economic concentration. The task for those of us who are in favour of increased democracy is to demand democratic political control of European Union, and to give a political base to the economic devolution that will come about through the creation of EC regional policy.

However, economic determinism and historical materialism are dead, and there is no sense in which we should sit back and wait for the economic forces to create political superstructures at the European and regional levels. That will take determined political action. The whole recent history of the British state shows that there is nothing inevitable about the political process which in the rest of the EC is leading to greater devolution and decentralisation.

It is possible to buck the trend and decline as an economy as a consequence: Britain has proved that over the recent decades. There is a direct link between political structure and economic performance. The UK is now the only major member of the European Community that does not have, nor is moving towards, some form of decentralised regional government. The paradigm, in terms of political constitution, and the most successful economy in the Community, hitherto, is Germany with its federal structure. (Much of the trouble that Germany — east and west — is now suffering from could have been lessened if an EC federal union and Europe of the Regions had been in place and the five East German Lander had joined the EC as five regions: it is the old thinking in terms of nineteenth century nation states that is causing the present problem for Germany. A problem which could ultimately become a European one). The fastest growing economy in the EC is that of Spain, with its autonomous regions. Both countries could show Britain a thing or two in terms of modern political structure.

Many people argue that we could not have a federal structure in Britain similar to that in Germany because there is no desire for regional government in England. Well, I do not know how true that will remain in all parts of England. But neither was there a desire to all parts of Germany for regional government in the form that was proposed, nor was there historic or geographic justification for many of the boundaries that were, in part, the result of the administrative grid of the post-war settlement. It is ironic to think that one of the main reasons for imposing a federal structure on Germany was to prevent the emergence of another centralised superstate. That strategy has been highly successful, but now the Tories in Britain

oppose a federal structure for the European Community because they say it will lead to the emergence of a centralised superstate — an eventuality which is much more likely if we do not have a federal structure. It is also salutary to reflect on the history of the centralised superstate that was the United Kingdom.

There are some who argue that the very nature of federalism is alien to the British tradition and others on the left who believe federalism to be inherently conservative. It is significant that continental federalists claim that many of their ideas are of British origin. The ideas developed by Lord Lothian, William Beveridge and other members of the Federal Union in the Thirties are frequently quoted on the continent, although they have almost been forgotten in Britain. Our continental colleagues similarly cannot understand the British government's equating federalism with centralisation and the creation of a superstate. The word "federalism" is used on the continent, in opposition to a unitary state, to mean a union of people with as much decentralisation as possible, but as much centralisation as necessary. I have already mentioned the role of the post war Labour Government in the framing of the federal constitution for West Germany: federal solutions were also often used as the best mechanism in the process of de-colonisation.

As for those who argue that federalism is inherently conservative and not part of the Labour tradition I need only mention that Keir Hardie, one of our founding fathers, advocated federalism. The founding programme of the Scottish Labour Party advocated Home Rule in the context of an 'Imperial Federation'. The appropriate section reads: "Home rule for each separate nationality of country in the British Empire with an Imperial Parliament for Imperial Affairs". Hardie carried the Imperial Home Rule model on to the British political stage when he advocated it in his election address as an Independent Labour candidate for West Ham South in 1890. It is also interesting to remember that originally the Labour Party was itself a federation of different organisations.

Other Scots who have advocated federalism are Andrew Fletcher who sat in the Scots Parliament in 1681 and who, prior to the 1707 Union, advocated a federal instead of an incorporating union; and Patrick Geddes another prophet whose ideas are championed abroad more than in his own land.

With the final defeat and discrediting of democratic centralism and the dictatorship of the proletariat, it might well pay dividends for thinkers on the left to go back and re-examine the ideas of mutualism and federalism advocated by thinkers such as Proudhon, whose libertarian vision of socialism was defeated by the more authoritarian views of Marx in the First International.

No two federal structures are exactly the same. They can be modelled to suit particular demands — indeed, such flexibility, along with a written constitution, is one of the great attractions of a federal structure. I believe that the structure laid



down for Germany by the Labour Government, along with the Allies in the 1949 Constitution known as the Basic Law, would make a good working model for the UK. Basically there is a central federal government and, originally 11 now 16, state regional governments known as Lander. There is also local government which has special status under the Basic Law.

The federal parliament in Germany consists of two houses: the Bundestag, which is elected by the additional member system of proportional representation, is equivalent to the House of Commons in the UK; the second chamber, the Bundesrat, is made up of members appointed from the regional state Lander governments, each Land having a block vote of three, four or five in proportion to their population. Such a system could be adapted to Britain with the House of Commons acting as the federal government and a second chamber, replacing the House of Lords, drawing its representation from the parliaments in Scotland, Wales, Northern Ireland and the English regional parliaments.

In Germany, the Lander, or regional governments, are responsible for all the legislative and executive matters not expressly assigned to the German Federal Government. The Federal Government's responsibility is for international affairs, defence, passports, currency, air transport, customs, postal services. This means that the regional government deals with everything not dealt with by the federal government, and that their powers are entrenched in the way that the Scottish Constitutional Convention has been demanding for a Scottish Parliament. Such a principle should be implemented for the federal governancy of the UK in order to reverse the recent trend towards centralisation. The Lander also play a direct formal role in the decisions of the Council of Ministers and other areas of EC policy decision. The Lander enjoy 'observer' status in the Council of Ministers and automatic representation on the Member State delegation where the area's exclusive powers or their vital interests are involved. The role of 'observer' status dates from 1959. The 'observer' is appointed by the Conference of Economic Ministers of the Lander. The 'observer' attends meetings of the Council of Ministers and COREPER as well as meetings of specialised groups, particularly the Special Committee on Agriculture. It also involves reporting back to the Lander and taking part in meetings of the Bundesrat. Germany's federal structure will also put the Lander in an ideal position to take advantage of the new Committee of the Regions which is to be established following Maastricht. Such a committee will be a further stimulus to a Europe of the Regions.

Bills introduced by the Federal Government of Germany must be submitted to the Bundesrat for comment and amendment before being sent to the Bundestag. The Bundesrat can also introduce legislation which has to be referred to the Bundestag and may block federal legislation in areas defined by the Basic Law. Thus the German federal system tends to be much more consensual with more checks and balances than the British centralised system.

Local authorities in the German system also have special status accorded by the constitution. As well as being the local tier of government administration, they have extensive powers and responsibilities in respect of town planning, public transport, public welfare, cultural and educational affairs, and water and energy supplies.

Along with the West Lothian Question there are serious worries that Labour's plans for the establishment of a Scottish Parliament, without adequately dealing with representation and governancy in the rest of the country, would eventually lead to the break up of the UK. There were also worries about possible extra taxation and the loss of public spending in Scotland. In Germany the Federal Government, the Lander and the local authorities all have some tax raising powers, but most of the revenue is raised by federal taxes including income tax, corporation tax and VAT. The German constitution specifies the proportion of these federal taxes which must be distributed to the Lander and local authorities. The tax revenue is shared out among the German Lander by size of population but, as stipulated by the constitution, there is a formula for varying revenues so that a similar standard of living is attained in all the areas of regional government. Thus differences in tax-raising potential in different regions are compensated by payments from richer to poorer regions. The Federal Government also finances programmes to help the economies of the weaker regions. Thus within a federal UK it would be possible to deal with questions of redistribution and allay fears of higher taxation or reduced public spending. We must not let taxation and re-distribution problems, which can, and have been solved in other countries, stand in the way of improved democracy.

The federal structure in Germany has facilitated greater participation and democracy at all levels. It has led to greater devolution and a fairer distribution of wealth creation. As well as the Lander government operations themselves, many federal government departments have been decentralised throughout the regions: the German equivalent of the Department of Employment is situated in the Lander region of Bavaria; the Federal Statistical Office is in Wiesbaden. The federal courts are also decentralised: the Court of Justice is in Karlsruhe; the Finance Court in Munich; the Administrative Court in Berlin; and the Labour and Social courts in Kassel. How different from the UK where the majority of institutions are centralised in London.

Apart from the democratic arguments in favour of the federal system making power more defuse and bringing decision making closer to the people — another important consequence of the German system is that each regional state has power to develop its own regional economy. Economic planning and promotion of industrial development are carried out by the different regional governments. This allows for greater autonomy and flexibility in economic response. There would be no repetition in this system of the British problem: measures taken centrally to dampen down an overheated economy in the South East of England being applied to other regions

where it was singularly inappropriate. The federal banking system also services the needs of the particular region and ploughs the profits back into that region rather than siphoning them off to the centre.

I believe that the German federal model, with a few adaptations, could work well within a system of regional government in Britain. As to the counter argument that it couldn't work here because there is neither demand for it, nor a strong regional consciousness in some areas of England, we have already argued that there were similar problems in Germany but that the advantages outweighed the logistical problems. In other EC countries which have decentralised power, such as Italy, France and Spain, although they do have regions in which there is a fairly high level of common identity, as there is in Scotland, Wales and some regions of England, all three have also created artificially defined regional areas. In terms of local government, local authorities have often preceded local identity. It has been argued that local consciousness of the value of a level of government grows to the extent that it proves its value and secures local interest. This has been the case with Italian regional government, and there is even a movement in Germany to create new local and regional identities and awarenesses by the use of local history associations and PR (that is public relations, not proportional representation) strategies.

I accept that in a democracy you cannot force a form of government on people who are adamantly opposed to it, nor will any amount of PR create a demand where absolutely no demand exists already. Although I sometimes have my doubts about that when I watch TV adverts. However, there is another way to approach the reform of government in the UK and eventually bring about a federal system; that is the approach taken in Spain since the overthrow of Franco. Spain has created a highly pragmatic and successful system of autonomous regions with varying degrees of power. Spain is now the fastest growing economy in the EC. As with Germany, and in marked contrast to the recession experienced in the UK, figures for 1991 show that although growth slowed in most EC countries, it remained above 2% in Spain.

In Spain the constitution which introduced the devolution of power in 1979 — the Statutes of Autonomy — allows for different levels and different speeds toward the achievement of autonomy. Catalonia, the Basque country, Galicia and Andalusia have moved quicker than Asturias, Cantabria and the other 11 autonomous regions. Such a pragmatic and flexible system could work well for Scotland, Wales, Northern Ireland, the North East of England etc, whilst other regions come along at their own pace. The experience in Spain is that once the regions who, at first, did not want a great deal of autonomy saw how much advantage it gave to the regions with fuller autonomy, they were keen to come on board.

Another pressure towards the creation of regional governments is the EC's developing regional policy which is at once a counterbalance to the centralism of European Union and the implementation of the principle of subsidiarity, and a

reflection of the development of modern capitalism into smaller and more flexible units. Unless the UK has a system of regional government it will be ill-equipped to handle developments within the EC including economic devolution. It is important that those of us in favour of home rule and an increase in democracy give a political foundation to the arguments for economic devolution, and make common cause with those in England who are sympathetic. The movement towards economic and monetary union and a single currency for the EC is also going to necessitate the need for stronger regional voices throughout the Community. Spain is already seeing some of its autonomous regional governments demanding more support to meet the tough demands of economic union. If the UK does not have regional government they cannot make those demands. We will fall further behind without a regional government structure.

The Spanish solution, which shows that a large degree of devolved autonomy does not lead to the break up of the Member State, should not be beyond the wit of British politicians. However, the Spaniards themselves are not too hopeful of this. A recent survey in Spain has shown that today's Spaniards consider Britain to be isolationist and tradition-bound.

Under successive Conservative Governments Britain is, I believe, moving further away from the European tradition of the 'social state' and more towards the acquisitive consumer individualism of the USA with all the consequent alienation and social division that brings in its wake. In a famous interview in the *Financial Times* in 1986, Mrs Thatcher stated that she wanted "Two more terms to eliminate socialism. She outlined her vision of a political system in Britain which would resemble that of the United States, with Democrats and Republicans basically agreeing on the same economic structure of the country and basing their politics on who would provide the best management. "I have always longed for a time", she said, "when we had two main parties — Government and Opposition — which both believe in fundamentally the same things: freedom under the law backed by a free enterprise society — rather similar to the two fundamental parties in the US", she told Geoffrey Owen and Malcolm Rutherford.

Although her own Party deprived her of her personal ambition, Mr Major's advocacy of a classless society is a continuation of this Americanisation. He is not advocating a society of equality where there is no social division and where everyone works together for the good of all. What he is about is the extension of the process started by Mrs Thatcher where the claim that there is no such thing as society becomes a self fulfilling prophecy: a country of self-interested individuals where the collective provision for those who can't make it on their own is kept to a minimum or becomes non-existent. Labour on the other hand must champion the European tradition, one which we once led with the achievements of the 1945 government: a welfare system that was the envy of the world.

Professor Richard J. Estes observed in the introduction to *Trends in World Social Development*: "Europe's historical commitment to the provision of high quality, largely tax-supported and nearly universal programmes of health, education and welfare services for the aged, disabled, widows, dependent children, unemployed workers and for other groups of socially vulnerable persons accounts for Europe's high ratings on each of the three world surveys that have been conducted since 1970".

Of the 124 nations included in the survey, all of the top 12 "social leaders" for the world are located in Europe. Denmark, the Federal Republic of Germany, Austria, France, Ireland and Belgium, head the list of nations with the most comprehensive systems of social welfare programmes and services. The European commitment to a high level of social development is historical and is a commitment that has set the international standard of caring for the rest of the world. It is something that we as Europeans can feel rightly proud of. Whereas the Europeans have been collectively the most successful in providing for the basic social and material needs of their populations, we find that the USA, Mrs Thatcher's shining example, is ranked 27th. However, social provision within Europe isn't perfect and the UK's position is not exemplary: we've slipped to 12th position over the last decade and are predictably behind the Scandinavian countries: Norway, Sweden and Denmark, but also behind Italy and Ireland.

I believe we are going to see an intensified battle over the coming months and years between a Conservative led UK in favour of the unfettered free market and opposed to any form of social policy or redistribution of wealth within the EC, and the other Community countries who want to maintain, continue and improve the social position of their people. We have already heard President Mitterand say that you cannot build Europe on the Single Market with nothing for the workers. Jacques Delors has called for a "new Keynes or Beveridge" to lay down a comprehensive European Community social and employment programme for 1992, together with a plan for the redistribution of wealth. The German Social Democratic Party (SPD) argue that any changes should contain a commitment to "democracy, federalism, the rule of law and the social state". Even Chancellor Kohl and the European Christian Democrats cannot agree with the British Tories over their opposition to the Social Charter. The Left in Britain must identify with this European social state tradition. Labour must complete its Europeanisation and redefine socialism in a Community context.

The battle for what kind of EC will emerge will be fought within the context of the widening or deepening of the Community. The UK Government is absolutely determined to see that there is no more deepening of the Community. Not by way of increasing the democratic legitimacy of the European Parliament through co-decision making with the Council of Ministers, or through the adoption of a written constitution formalising the EC's federal structure. They are instead going all out for widening by encouraging the individual membership applications of the EFTA

countries and others from Eastern Europe. There are, however, some very good reasons why widening will both help to boost the socialist agenda for the EC and assist in deepening as well. The deepening, i.e. the democratisation of the EC, is I believe inevitable unless there is either a lurch to the extreme right, and Europe again this century comes under the force of a dictator, or the whole project collapses. We must work to make sure neither of these eventualities come about.

The countries which are most likely to be in the first wave of any enlargement — Austria, Finland and Sweden — do not want to join the Community because they want to abandon their historic commitment to high quality welfare services and embrace all the social divisiveness of the Thatcherite free market ethos. They want to join because they realise that in the modern world, with the globalisation of capital and markets, individual nation states can no longer on their own produce the wealth to pay for the improved standard of living and social services their people will demand in the 21st century. Thus these new members are more likely to join with the social democratic consensus than the free market ideology.

Enlargement — contrary to the views of Major and Hurd — will also speed the process to a federal Europe because the countries from EFTA which are likely to become the next full members of the EC, around 1996, all have high *per capita* incomes, and all expect to become net contributors to EC funds but, more significantly, several already meet the monetary criteria for stage three of Economic and Monetary Union (EMU), which is not true of all the present EC members. Thus enlargement will speed the process of EMU and the establishment of a single currency by the European Central Bank — one of the main criteria for the establishment of a federal union.

Enlargement is also likely to lead to a deepening of the Community because it would be impossible to continue functioning with the same institutional balance with 17 or 22 members. Efficiency and effectiveness will have to be improved while at the same time increasing the Community's democratic legitimacy.

The major issue at the Maastricht Summit last December was the creation of a European Union — deepening the European Community through economic as well as political union. The big issue at the Edinburgh Summit in December of this year, under the UK presidency, will be the widening of the Community to include more Member States. In order to deal with the institutional implications of this widening, there are radical new proposals being discussed in Brussels and Strasbourg which would end the unanimity rule for voting in the Council of Ministers through the introduction of systematic majority voting, deprive the smaller Member States of the right to chair the Council of Ministers, and end the automatic right of every member state to appoint a European Commissioner.

If these plans for a radical reorganisation of the EC's institutions go ahead, they would demolish much of the argument being put forward by the Scottish National Party (SNP) for an independent Scotland to join the EC.

It is clear that radical plans are needed to deal with enlargement. Turkey, Cyprus, Malta, Austria, Sweden and Finland already have applications for membership on the table. The seven European Free Trade Association (EFTA) countries of Austria, Finland, Iceland, Norway, Sweden, Switzerland and Liechtenstein have negotiated collectively to create the European Economic Area (EEA) with the EC, but some, like Austria, Sweden and Finland, have made unilateral applications. Others are likely to follow. Poland, Hungary and Czechoslovakia are preparing for EC membership via association agreements. Boris Yeltsin has reaffirmed Russia's desire to join.

Enlargement of the Community is bound to come and, is, indeed, desirable, but it is also bound to cause logistical problems for the Community's institutions. What is the optimum number of members of the European Parliament? There are presently 518 MEPs for the 12 member states. Could a parliament function with 1,000 plus members? As far as the presidency of the Council is concerned, can the present six month rotating Presidency be maintained when a 17 Member State EC would lead to each state holding office only once every eight and a half years, and in the case of a 22 Member State Community once every 11 years? Should Luxembourg, or Malta, retain the same clout within the Council as the re-united Germany.

These are very live issues that will lead to a radical overhaul of the institutions. In the long run we will have to answer for reaching questions. Should we replace the Council of Ministers, or should it be elected? Can we go on adding to the number of European Commissioners? There are currently 17 with plans to reduce the number to 12. Should the European Parliament become the voice of the sovereign people of Europe? Should the Parliament be balanced in a bicameral system with a Second Chamber of the Regions replacing the Council of Ministers? Should a revamped Council be the Second Chamber to the Parliament?

These are legitimate questions for enlargement. Proposals are already coming forward that the Presidency of the European Council of Ministers be assumed on a rota basis by the five 'large' Member States with two Vice-Presidents for the other countries. Suggestions have been made that, in an enlarged Europe, France, Germany, Italy, Spain and the United Kingdom would assume the presidency of the Council for a year on a rota basis. On each rotation the smaller Member States would delegate two Vice-Presidents. The Council would become an institution sitting in permanence and legislate through qualified majority voting in all fields coming under European Union legislation. The President of the European Commission would be elected by the European Parliament on a proposal from the European Council, and decide the number and composition of the Commission. The number of Commissioners would not necessarily correspond with the number of Member States.

The one bonus being offered to smaller Member States is that the number of Euro MPs would be decided on the basis of 'inverse proportionality'. The Euro MP/electors proportion being weaker as the number of inhabitants rises. However, although not scientifically worked out, the principle already exists. Luxembourg has six Euro MPs for a population of half a million people, whereas Germany has 81 for 80 million. It takes nearly one million people to elect a Euro MP in Germany but fewer than 100,000 to elect a similar number in Luxembourg. While it is right that the smaller member states are proportionally over represented it is not likely that the ratio could continue to be as advantageous as that. In the interests of democracy the system needs to be more proportional not less.

Put starkly, what is being proposed, is that smaller Member States should reduce their influence in the Council of Ministers and lose the right to appoint a Commissioner in return for a place in the creation of an enlarged European Community. Thus, if the SNP were able to break Scotland away from the rest of the UK, and successfully negotiate membership of the EC, they would then have to persuade the Scottish people to back membership in the knowledge that the present promise of being able to appoint a Commissioner and gain status by having a turn at the Presidency of the Council of Ministers might not be realised. The Scottish people would gain independence but at the price of losing real influence within the EC.

I see these changes as short to medium term and believe the longer term goal of a Europe of the Regions where smaller nations and autonomous regions have an equal say within a Second Chamber of the European Parliament. Although this is some way off, the agreement at Maastricht to set up a 189 member Committee of the Regions for the Community could well be the start of this process. Some people are arguing that the three members Scotland will have on this committee offer the possibility of building alliances from different parts of Scotland. After all, in economic, industrial and social terms, the central belt of Scotland has more in common with the Ruhr Valley in Germany than it does with the Highlands and Islands of Scotland which similarly has more in common with parts of Ireland and Greece. It is time to make alliances across national boundaries, for the good of all our people. For me the problem with both the UK Government's position and the SNP prospectus is that they are based on nationalism rather than on democracy and what is best for the individual citizen of the Community.

This brings us back full circle to the debate about power, and whether it should reside with the people in parliament or with intergovernmental institutions and whether the UK and EC should be federal or confederal in structure. There was no doubt as far as the founding fathers of the European Community were concerned. Jean Monnet said: "We are not forming a coalition of states we are uniting peoples". The original Treaty of Rome in 1957 stated it was intended "to lay the foundations



of an ever closer union amongst the peoples of Europe". For the European people to have power, then their representatives in the European Parliament must have the power to initiate and pass the laws necessary at the European level subject to the principle of subsidiarity: i.e. the European Union shall only act to carry out those tasks which may be undertaken more effectively in common than by the Member States acting separately. This is however not yet the case. The people of Europe do not have power over the laws that govern their lives at the European level: legislation is still proposed by the unelected European Commission and those laws are still passed in secret by the Council of Ministers, a body which was not elected on a European manifesto. Although some advances were made at Maastricht there is a vigorous rear guard action to undo any advances and reinforce intergovernmentalism.

This struggle between the legitimate democratic rights of the people and the governments, or states, of Europe has a long history. Prior to Mrs Thatcher, General de Gaulle was the main champion of "Europe des patries" — Europe of the fatherlands — although he did not actually coin the phrase. De Gaulle rejected the Fouchet plan for political union based on the formula of a "union of states and European peoples" preferring his own formulation of Europe as a "union of states". For de Gaulle the people should play a role entirely subordinate to that of the states, which were responsible for taking decisions on their behalf.

Although Mr Major and Douglas Hurd eventually agreed to the Maastricht Treaty which incorporates, in Article A of the Common Provisions, the objective of "an ever closer union among the peoples of Europe . . ." they are determined to make sure this does not have any practical application, and that the power does not reside with the people but with governments. This is why Mrs Thatcher and other right wing thinkers on Europe are in favour of confederalism as opposed to federalism. Ironically confederalism is also favoured by the SNP, although they claim to be in favour of European Union. Confederalism only allows the people to choose their government at the national level. That government can then go on to make Treaties with other governments. A federal system, on the other hand, allows the people to choose their governments at all levels: Scottish, British and European. Federalism, therefore, gives more power to the people.

Confederalism would not allow for the redistribution of wealth created by the Single European Market, nor would it enable the creation of EC-wide social welfare or pensions, or all the other benefits socialists would like to achieve for the people of Europe. Nor would confederalism allow for the control of capital flows or control of multi-national companies. Individual nation states are no longer strong enough to control capital speculators or to curb the activities of multi-national companies. This could now only be done by a federal government at European level. I believe that one of the prime reasons why Mrs Thatcher and other right wing thinkers oppose a federal Europe is that a federal Europe would have the power to control these companies and individuals and stop them playing off one nation against another.

We have recently experienced a concerted effort to undermine the small advances made towards federalism and democratic Europe at Maastricht. I will give three examples and the prediction that there will be a continuing effort to undermine European Union. It is no coincidence that John Major, as Mrs Thatcher before him, links his opposition to a federal union with this opposition to the social dimension at the EC level. At the annual conference of the institute of Directors on the 28th of last month (April, 1992) he said: "We want a Europe that is a community of nation states. I do not want a United State of Europe". He then went on to promise that Britain would "hold at bay" the Social Chapter. Speaking the next day to the diplomatic corps at the Lord Mayor's Banquet in London's Guildhall, Douglas Hurd came out strongly against any more powers for the European Parliament. The following day, writing 'A Personal View' in the *Financial Times*, Jacques Calvet, Chairman of PSA Peugeot Citroen expressed the views of many multi-national businessmen when he said: "It is imperative that the Community's executive branch be inter-governmental in nature. While it would be tempting to introduce majority rules for the sake of efficiency this is unacceptable when essential interests are at stake". Whose interests are we talking about? The interests of the people or the interests of governments and multi-national companies?

I believe we are approaching an historical junction of great importance in Europe: one route could take us down the road of unfettered consumer capitalism creating a society of alienated disenfranchised individuals; the other route leads to a society where individual freedom and prosperity is combined with collective activity to create community and social welfare for all. In a continent of great diversity which has been the cockpit of two major world wars we could contribute towards an ideal of peace and prosperity which could provide a model for the rest of the world.

It is time for the left in Britain to argue for the integration of a federal Britain into a democratic European Union so that we can play our full part in that great venture which will steer the European Community on a middle course, a third way between the discredited economic determinism and command economies of the Soviet Union and the rampant capitalism of the USA and Japan. A venture which would truly give power to the people — at all levels.