

## OUT OF THE TREATY ASHES....



SOMETIMES fate lends a hand just when you least need it. For a large part of the last year I have been involved in an attempt to stop the passing of the Maastricht Treaty — not because I am anti-European, but because I object to the handing over of economic powers to unelected European bankers and unaccountable bureaucrats in Brussels.

The last prospects of getting Parliament to do anything about this seemed to have disappeared when the Tory "rebels without a spine" caved in over the threat of a general election. After the massacre at Christchurch you would have thought that any Tory MP with a majority of less than 2m votes would have doubts about John Major's threat to dash into a general election if the Treaty was amended. Anyway the rebellion collapsed and the Bill looked set to survive. Now, in the space of a few brief hours, the German Bundesbank seems

to have killed it stone dead. Their decision on German interest rates will force the devaluation of the franc, the peseta and probably the lira.

With it will go the framework of the Exchange Rate Mechanism (ERM) and their pathway towards European monetary union. This along with a common foreign policy was at the core of the Maastricht Treaty. What we are left with is an "Uncle Albert has died Treaty".

There will, no doubt, be many who have difficulty in coming to terms with its death. In the coming weeks you will hear comments equivalent to "I know he's not breathing, but you know how he likes to hold his breath for a long time". "Yes he's very quiet, but he always was the strong silent type". "Perhaps he's meditating".

The truth of the matter is that there is no life left in the Treaty and we should let it slip quietly away and start again. But where should we start from. I would like to offer a few suggestions from out of the current economic debacle in Europe.

The first is that rather than strapping currencies tightly together we need to confront the free market in money exchange. Since Margaret Thatcher landed us with a free-for-all in the currency markets, the world has been plunged onto a roller-coaster of international currency speculation.

THOSE who own or control large amounts of money move it about the globe in pursuit of today's best rate of interest or exchange. A hint of a policy change here, a whiff of scandal somewhere else, sends money careering around a roulette table.

Some people can make tens of billions overnight in this sort of casino economy, but invariably they do so by breaking the backs of small firms (good firms) who have been doing what they can to produce for export.

Surely what we need is an international exchange system which encourages stability and responsibility rather than behaving like a global betting shop.

One way of doing this would be to tax not the buying of other currencies, but the selling of them. You could waive such taxation for monies held for over (say) five years, which would allow flexibility and offer reward to those who wished to invest responsibly. Britain should lead the way in pushing for this on a European scale as well as a national one.

The second element in any new European initiative should turn part of the Maastricht Treaty on its head. The whole of Europe needs policies which will put its people back to work.

There is no shortage of such work that needs doing — a massive reinvestment in railways and public transport networks; the building and insulating of houses, nurseries and schools; realistic staffing of the support services needed for care in the community.

A common European agenda for stability and security must invest in its own people and in the wider environmental catastrophes which begin to loom in front of us. This is what real economic "convergence" should be about.

A LONG with a number of "Labour rebels", I actually drafted and submitted to Parliament proposals for such new "terms of converge" during the Maastricht debate.

Sadly, they were so threatening to both the Labour and Tory front benches, that we were never allowed even to vote on them. Last weekend saw the threatened invasion of Nottinghamshire by European neo-Nazis. Their "Aryan Festival" was to offer a poisoned watering-hole for the young, alienated, jobless and disaffected, whose entire experience of the politics and economics of the last 14 years has left them ripe for the picking by a new wave of fascist simplicities and prejudices.

Not all of these will be New Age Terrorists that Uncle Albert might have wanted to line up against the wall.

Most will simply be the victims of the war that monetarism has waged against the young (and not so young) in Britain and Europe. Like most of the ordinary people that I speak to, Uncle Albert would probably want to begin by giving them a job. Breathe-on Uncle Albert.