

## [Comment] All in this together

14.06.2005 - 17:54 CET | By Richard Laming

EUOBSERVER / COMMENT - In the aftermath of the French and Dutch referendums, nothing can be taken at face value in the EU. The debate about the EU budget and the British rebate is a perfect example.

There is suspicion in the UK that it has been raised by Jacques Chirac for purely tactical reasons. He is sore about the British financial deal, true, but the new budget does not need to be agreed until this time next year. Why raise it now?

Well, it serves to deflect attention in France from the embarrassing rejection of his European policy by his voters. And it deflects attention in the rest of Europe onto Tony Blair as the man who is holding things back. It's not Jacques' fault that the constitutional process has ground to a halt, it's Tony's.

But Chirac's apparent cynicism isn't quite so ignoble, because the rebate was genuinely a factor in the two referendum defeats.

Leading Dutch No campaign Geert Wilders made the Dutch contribution to the EU budget a major reason for voting No, a contribution that would have been much lower but for the British rebate. Wilders printed "banknotes" with the value of €180 to demonstrate just how much the Dutch were each paying. (I can remember when British pro-Europeans printed fake euro leaflets as part of a campaign to join: we won't be doing that again for a while.)

And it's an issue for now. For if the British government insists that the French and Dutch governments have to sort out their own ratification procedures for the constitution before the UK can consider doing the same, then the British government must also accept that its rebate has to be addressed. It can't expect the Dutch and French suddenly to vote Yes when once they voted No.

British politicians are talking tough in the budget debate, threatening the use of the national veto over the EU budget discussions in order to protect the rebate. Sounds good. But Jacques Chirac also has a veto over those same discussions: the final deal needs the agreement of all 25 member states.

So a simple veto threat is not the route to getting a deal. It's a game that everyone can play. And a deal is certainly needed.

Those people who say that the EU should make a priority of economic reform rather than changes to the institutions realise that the current budget system isn't working any more. And those who think that institutional reform should come first know that the financial system has to be fair.

Above all, they all have to realise that neither economic nor institutional reform will be possible unless the national governments can both reach agreement among themselves and convince their citizens that they have struck a good deal. However much Tony Blair and Jacques Chirac may raise the rhetorical stakes, they need each other.

I am reminded of a cartoon I saw once of two castaways, saved from a shipwreck in a lifeboat. The lifeboat has sprung a leak, and one castaway says to the other, "it's not my problem – the leak's at your end."

*Richard Laming is Director of Federal Union. He writes here in a personal capacity.*

---

© EUobserver.com 2005

Printed from EUobserver.com 14.06.2005

*The information may be used for personal and non-commercial use only.*

*This article and related links can be found at: <http://euobserver.com/?aid=19319&sid=7>*