

The Satellite Mind

All the following have been on the news within the past week:

Coal-fired power stations
 Compulsory retiring age
 Immigration (there every week so it must have been)
 Post Offices

There are two basic oddities about our relations with the European Union.

The first is that these matters, which all look as if they are what the political classes call “domestic”, are nevertheless all controlled by the EU. A number of the smaller coal-fired power stations are to be closed because of an EU directive about carbon emissions. The final appeal about a case of compulsory retirement at age 65 went to an EU body not the House of Lords. Post Offices are not the same in Britain as, for instance in France. We have the tradition that the Post Office covers some of the ground that in France belongs to the Mairie. Royal Mail’s monopoly originated as a monopoly of post-*horses* to which mail was added in 1637. The institution flourished in the heyday of laissez-faire capitalism, and let us not forget that the penny post was a British invention. From that developed the local post-office as a minor instrument of state, where you could get passports, doles and pensions, and save your money safely, as well as gossip with your neighbours. But the EU (in its supposedly “Anglo-Saxon” aspect) decrees that there must be competition. So the rural post offices close, and the British government takes the blame. What effect would it have on the functioning of the EU as a economic zone if the British tradition continued? The debate about whether large-scale immigration is good for the economy goes on and on. All sides agree that they are talking about the *British* economy, not the EU economy and not the global economy. It is this state, not the EU as a whole, for which population explosion has recently been forecast. But immigration and emigration is decided by EU treaty and no British government has any power to encourage or restrict immigration or emigration to or from the EU.

None of the mainstream/deadbeat parties ever mention this basic oddity, any more than the powers in the satellite states of the Soviet Union ever mentioned in public that their domestic affairs were dominated from Moscow.

The second basic oddity, or perhaps it is just another way of looking at the first, is that though there is universal agreement that politicians everywhere are hungry for power, the domestic politicians of all the deadbeat/mainstream parties (now including the Scottish National Party and Plaid Cymru) don’t appear to mind that over these matters which they think important they have no power at all. The mind-cast of the local bosses in pre-Jaruzelski Poland or post-Dubček Czechoslovakia must surely have been similar.

The matter is raised now because it seems likely that quite soon, during the present “credit crunch”, the exercise of EU authority will get to the point of annoying the British. One such point has just been missed, by what margin there is no means of knowing. The takeover of Halifax Bank of Scotland by Lloyds TSB (which as of now has been very bad for the share price of the latter) was made possible in a very old-fashioned way by talk with the Prime Minister at a cocktail party. In his year in office the Chancellor too seems to have learned that this is how things are actually done. Competition concerns would be waived, by a special parliamentary bill

if necessary. All well and good: but in competition the EU also has a say. Like all the other matters mentioned, this one is domestic in the sense that the competition possibly to be eroded is British competition. Nobody would suggest that this takeover would do any harm to *Crédit Agricole* or *Deutschebank*, though *Banc Santander* might be bothered as the owners of *Abbey*, which a few years ago *Lloyds TSB* was not allowed to take over because of competition concerns. In the case of the *Lloyds–HBOS* takeover the EU at an accelerated pace, on 1 October, said *yes*. But what if it had said no?

The government of the Republic of Ireland is facing a very similar question. They judged it right to make a guarantee of all bank deposits under their jurisdiction, and the Dail, says the BBC, has just “voted this into law.” But what if the EU exercises its rights of superiority to national law? Other member states of the EU have complained. Are Irish banks a matter for the Irish? Some British say that the guarantee may be anti-competitive. It may well be that the EU rules the Irish action out of order. If so will the Irish, whose governing classes were unanimous in recommending the Treaty of Lisbon, have any second thoughts about what powers and responsibilities they have over the years signed away?

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