



europa yes. euro no.

Bulletin

The pro-euro network

26 October 2001

What is this document and how can you help?

We have set out some of the information we have accumulated about the pro-euro campaign and all the support it receives from the state and the European Commission. While the central organisations – the *European Movement / Britain in Europe* (EM / BiE), which share offices and personnel – have been very ineffective and wracked with internal problems, they nevertheless have access to, and are supported by, a large number of state or quasi-state institutions which each have budgets that match or exceed the whole of the **no** campaign. These organisations disseminate pro-euro propaganda and they perpetually blur the line between legitimate preparations for the introduction of the euro in the Eurozone and preparations for the euro to replace the pound – a key distinction which the Government wishes to elide.

The Government refuses to tell the public how much it is spending on preparations for the euro to replace the pound and its various “information” campaigns because it knows that the majority of the public and businesses oppose its policy. Seventy percent of the public believe the Government should not spend money on preparing for the replacement of the pound until and unless the Government win a referendum ([ICM Research](#)). That is clearly right.

If you support us, we ask you to provide further information about this abuse of Government power, particularly examples of Government expenditure and we ask that you complain to the relevant authority about this abuse. We know, for example, that NHS trusts have to spend time and money on euro preparations, which we regard as a scandal given the current state of healthcare in Britain and the real priorities. Such spending should not be secret.

The pro-euro campaign has run out of arguments – it claimed the euro would be strong, and it claimed Britain would collapse outside the euro. Both predictions have failed. While we have strengthened and gained more and more public, business, and trade union support, they have folded. One of the few weapons they have left is the unscrupulous use of taxpayers’ money and propaganda in order to try to persuade the public that the euro is “inevitable” and will replace the pound whether they like it or not. They will certainly use the introduction of notes and coins to try to kickstart their campaign. We want to expose the abuse of state resources and to give people the facts so they can see how the euro would affect the economy and Government, and how it would be a big diversion from real national priorities.

Key points

- The pro-euro campaign in Britain has been generally incompetent. It has been abandoned by key supporters like Lord Sharman (former Chairman of KPMG) and it has managed to attract little significant business support other than the “usual suspects” who supported the ERM and who have been signing letters to the *Times* for ten years.
- However, the pro-euro campaign benefits from taxpayers’ money through the Government, the European Commission, and a large network of state and quasi-state organisations. The resources and activities of these organisations partly make up for the incompetence of EM / BiE.
- There is some confusion over the level of spending by the Government on euro “preparations”. In their recent *Fifth Report on Euro Preparations*, the Government stated that “the total investment in changeover planning to date” is £23.5 million. However, at various points over the last two years, the Government has admitted to spending £60 million – at least £15 million on euro “information” was spent by the end of 1999. The real figure is likely to be far higher. Spending is set to rise further in the next couple of months as the Government is planning to send out euro “information” to every household and business in Britain.
- The Government is unwilling to state how much is spent. According to Melanie Johnson, the Government’s former Economic Secretary, such disclosure would “harm the frankness and candour of internal [Government] discussion” (*Mail on Sunday*, 8 July 2001).
- The European Commission supports the EM / BiE. As the [original strategy paper](#) for BiE stated: “By its nature, the European Movement will be at the heart of the campaign’s political, managerial and tactical leadership. European Movement staff will execute a very large number of the key campaign functions and its resources will be crucial to the ultimate success of the campaign ... At the same time, the structure recognises that the European Movement and other constituent groups need to have their own identity and requirements (eg, raising funds from the European Commission for public campaigns etc).”
- The European Commission also supports the pro-euro [Federal Trust](#), and the Local Government Group for Europe. The Commission also funds the [24 Euro-Info Centres](#) which distribute pro-euro literature. All of these have links with the EM / BiE.
- If a referendum is called, the Government has already passed legislation (the Political Parties, Elections and Referendums Act 2000) that allows the Government to spend as much as it wants before a referendum, despite limiting the official ‘no’ campaign to £5 million before a poll. The Government rejected an amendment to the legislation which would have required that all Government publications before a referendum be impartial. The Government says it has a “right and a duty” to put its views across before a referendum.

- The euro lobby is also able to rely on the use of the network of Euro-Info Centres. [Euro-Info Centres](#) (EICs) are managed by the Enterprise Directorate-General of the European Commission (formerly DG X). There are 24 in the UK.
- **In five cases, the EICs are based in the same office as the local [Chamber of Commerce](#), in five cases with [Regional Development Agencies](#), and in four cases with [Business Link](#) organisations. For example, in Bristol, one person, Sarah Harris, represents the EIC, Business Link and Chamber of Commerce, and also sits on the Treasury's SW Regional Euro Forum. This is a classic example of the cross-over of the pro-euro network.**
- EICs receive funding from the Commission, the British Government, Business Links, Chambers of Commerce, and commercial sponsors. For example, the North West Euro Info Centre's Memorandum of Association shows that its two shares are both owned by Business Link Merseyside Limited. The Business link is wholly owned by Merseyside Training and Enterprise Council, a Government agency regulated by the Departments of Education and Employment, Environment and Trade and Industry. **This EIC alone had a budget of over £300,000 in 1998-9. Projected for all 24 EICs, their total budget could be over £7 million.**
- In addition to the Euro-Info Centres there are also six "Carrefours" in the UK, which act as smaller versions of the EICs in rural areas such as Anglesey or the Highlands and Islands of Scotland. **Most are housed in Local Council facilities, one in Trinity College, Carmarthen and some receive funding from the National Lottery as well as the European Commission.**

1. The British Government

- There is some confusion over the level of spending by the Government on euro "preparations". In their recent *Fifth Report on Euro Preparations*, the Government stated that "the total investment in changeover planning to date" is £23.5 million. However, at various points over the last two years, the Government has admitted to spending £60 million – at least £15 million on euro "information" was spent by the end of 1999.
- Giving evidence to the House of Commons Treasury Select Committee on 2 March 1999, Lord Simon stated that the Government had spent £8.7 million in 1998 on "business awareness" for the launch of the euro on 1 January 1999. He also stated that there was a further budget for business information of £7.5 million for 1999.
- However, the real figure the Government has spent on "preparations" is likely to be far higher than £60 million. The Government is sending out vast amounts of euro "information" to businesses and the public before the introduction of euro notes and coins. According to the Treasury's *Fifth Report on Euro Preparations*, the Government is writing to 1.5 million SMEs in the UK, and has developed a new booklet *Using the euro – competing in Europe*. The Foreign Office has produced over 100,000 leaflets for tourists. They have been unable to say how much this has cost.

- The Government has stopped giving information on the cost of its “preparations”. In March 2000 Melanie Johnson, then Economic Secretary to the Treasury, blocked the release of information, declaring it “information whose disclosure would harm the frankness and candour of internal [Government] discussion” (*Mail on Sunday*, 8 July 2001).
- Even pro-euro Labour MP, Martin O’Neill, attacked the Government’s evasiveness and said it was time the Government started “treating the British public as adults” on the costs of joining the euro (*Telegraph*, 17 November 2000).
- **If the Government decides to call a referendum, it will spend millions on pro-euro propaganda at taxpayers’ expense.**
- The Political Parties, Elections and Referendums Act 2000 gives the Government the right to spend as much as it likes on propaganda in the six months before a euro referendum despite the fact that they have limited the official ‘no’ side’s spending to just £5 million before a poll.
- The Government *explicitly rejected* an amendment before the Act was passed which stated that all Government “information” before a referendum should be impartial. Lord Bassam, then Government’s Home Affairs spokesman, said, “Amendment 203 would additionally require that material circulated by the Government during the referendum period as a whole must be factual and impartial ... In other words, it is proposed that ... it should also be incumbent upon the Government to prepare neutral material during the remainder of the referendum period. *This would not work*” (*Lords Hansard*, 22 November 2000).
- The Government has said that it has a **“right and a duty”** to put its own view across before a referendum (*The Funding of Political Parties in the United Kingdom*, 1999).
- Last year the Government became the second highest spender on advertising in the country, spending £192 million – just below Unilever’s £198 million. This was a rise of 70 percent on the year before.

Regional euro forums

- The Treasury's Euro Preparations Unit has set up 12 regional [euro-forums](#). These are intended to bring together regional Government officials and businesses, and to act as a channel to disseminate materials from the EPU. The overwhelming majority of participants in the forums are public sector officials. Half are hosted in regional Government offices, the others are in Euro-Info Centres, Regional Development Agencies and Chambers of Commerce.
- The forums are supposedly non-political, but blur the line between preparing for the euro as a foreign currency and preparing for its use in the UK. Forum websites link to pro-euro campaign groups such as the [Association for the Monetary Union of Europe](#) (see below). The forums also purport to represent business opinion. For example the “*what does*

business say?" section on the Welsh forum's website includes quotes supposedly representing business opinion – "I thought the euro was just another currency. That was wrong!!" and "I did not realise that the national currencies were just sub-divisions of the euro, exactly like 50p and 2p are to the pound sterling!"

- The euro forums are increasingly turning themselves into regional campaigning organisations. For example the South East forum has recently commissioned a press cuttings service, and is working with a regional PR company to build a press database to increase its press coverage. The forums are also now mass-mailing businesses. The South West forum sent out 30,000 colour card leaflets to businesses and the South East forum will send out 50,000 copies of *Euro News for the South East*. The Scottish forum has a monthly page in the *Herald* newspaper.

2. The European Commission

- The European Commission also supports the pro-euro campaigns in Britain. They have given money to BiE via the EM (see below) and have produced pro-euro literature for distribution across the country.
- One example of recent Commission propaganda was their *Glossary of Eurosceptic Beliefs* – incredibly similar to a publication by BiE, *Straight Bananas – 175 anti-European myths exploded*. It attempted to rebut criticisms by "the euro's critics" and "sceptics" - terms which it uses interchangeably. It sets up - to demolish - a number of claims supposedly made by "sceptics". While it acknowledges the problem of a one size fits all interest rate it attempts to show that the benefits outweigh the costs. It lists "macroeconomic stability" as one of the benefits as if this is established fact rather than a matter of debate.
- They also support the [Federal Trust](#) and the Local Government Group for Europe (see below).
- The Commission apparently has a legal right to campaign for the pro-euro side in a referendum. When the Political Parties, Elections and Referendums Bill was going through the House of Lords, the Government rejected an amendment which would have prohibited EU referendum expenditure, stating that it had no power to do this.
- Lord Bassam - also then a BiE Council member - said, "There is a need for some realism about the intentions of the Commission. That needs to go hand in hand with some realism about what such a prohibition could achieve. *An explicit ban on referendum expenditure or the publication of referendum material by the institutions of the EU would beg the question how such a ban could be enforced ... Given the immunities for which the protocol on the privileges and immunities of the European Communities provide, the jurisdiction of our courts in relation to a breach of the provisions of this part by an institution of the Community would be extremely doubtful*" (Lords Hansard, col 196, 24 October 2000). I.e. our Government will not make fair laws to prevent the EU interfering in British elections because it does not think it can enforce them (we think they may be legally wrong about this and are investigating).

3. Britain in Europe

- BiE is the main pro-euro campaigning organisation in Britain. However, they have struggled to define their role since their launch in 1999. Their original website made clear that their aim was, "to inform the British people about the European single currency and convince them that Britain should join." Similarly, their Memorandum of Association at Companies House read: "The objects for which the company is established are: to carry on business with a view raising funds, collecting donations and spending funds collected *in order to campaign in favour of UK membership of the single currency.*"
- But after Government pressure just before BiE's launch in October 1999, they watered down their commitment to the euro. They now have a vague policy "to promote public understanding of the importance to Britain of playing a leading role in the European Union while explaining the benefits of joining a successful single currency" (*Britain in Europe website*). The Government was - and is - unwilling to give any public endorsement to an organisation that was campaigning for immediate euro entry.
- Despite claiming to have brought together an "historic coalition", BiE has always served the interests of the Government, reflecting Director Simon Buckby's close links with the Labour Party and Peter Mandelson. In an article in the *Spectator* on 9 December 1999 Mark Littlewood, BiE's former regional campaign manager, said he had resigned from BiE because "the organisation has been taken over wholesale by Labour's Millbank machine; and that its *raison d'être* is to parrot Labour's equivocal policy, to embarrass the Tory Party, and to do nothing to advance the cause of the single currency." To view the *Spectator* article, click [here](#).
- **BiE has received money from the European Commission through its alliance with the European Movement, with which it shares offices and personnel.** In fact, BiE documents reveal that the organisation was set up specifically accept funds from the EM, which admits to receiving funds from the European Commission. The original strategy paper for BiE stated: "By its nature, the European Movement will be at the heart of the campaign's political, managerial and tactical leadership. European Movement staff will execute a very large number of the key campaign functions and its resources will be crucial to the ultimate success of the campaign ... At the same time, the structure recognises that the European Movement and other constituent groups need to have their own identity and requirements (eg, raising funds from the European Commission for public campaigns etc)."
- The then EM Director, Stephen Woodard, admitted that the EM "heavily subsidises BiE". To view the original BiE strategy paper, click [here](#).
- The European Commission representative in the UK, Geoffrey Martin, has described Britain in Europe as "frustrated" (10 October 2001).
- BiE is also funded by a number of large corporate organisations such as British American Tobacco, Nestle, KPMG, Unilever and BAE SYSTEMS. However, PricewaterhouseCoopers,

previously a major BiE donor has recently withdrawn financial support for BiE, as have Kellogg's. Click [here](#) for a list of the companies BiE admits it is funded by.

4. The European Movement

- The EM describes itself as "a partner in the Britain in Europe campaign." The EM is primarily a grassroots organisation and has branches in most major cities and towns across Britain. They organise regular meetings, debates and lectures across the country. Despite making attempts to form a mass membership organisation, the EM has less than 4,000 members, after decades of existence and tens of millions of pounds of expenditure.
- Unlike BiE, the EM openly admitted to receiving funds from the European Commission on its website. However, when we pointed this out to BiE, they scrambled to have it removed. You can still download the page [here](#).
- Leaked documents from the European Movement, reported in *The Times* on 26 November, showed that the organisation has faced continuous, and serious, internal problems. Ken Daly, former organiser of the EM campaign in the South West, wrote in a letter to Ian Taylor, European Movement Chairman, that one of the reasons Simon Buckby had turned against him was because he was "too tough to accept the bullying he inflicts, and seems to enjoy inflicting, on younger staff". Mr Daly also commented, "Make no mistake, there are aspects of our organisation which are rotten to the core. The character assassination that has gone on in the last year is out of the ordinary... We are running a campaign – not a circus". He further criticised Simon Buckby, stating, "Buckby's control freakery verges on the seriously paranoid and blinds him to the realities on ground." The documents also revealed internal concern that the pro-euro campaign is, because of Simon Buckby, far too close associated with the Labour Party. Ken Daly wrote, "Perhaps more serious is the attempt to impose more Labour apparatchiks on an already seriously imbalanced situation."
- You can download the leaked documents [here](#).
- In a separate set of leaked documents from the EM, reported in *The Times*, on 8 May 2001, showed that the organisation has faced continual internal problems. Margaret Daly, chairman of the EM's branches, commented, "In headquarters itself there were personal quarrels, much character assassination and deliberate leaking of documents to the press with enormous damage to the image of the movement."
- A similar picture emerged from minutes from the European Movement's Annual General Meeting in June 2000. They revealed widespread discontent with the way the organisation was being managed. The minutes state, "This AGM welcomes the plans to rebuild the European Movement by improving the organisation and creating an efficient administration ... The administration of the London office has to be re-organised on a more professional basis..." The minutes also reflected disillusionment with the lack of success BiE were having: "The European Movement believes that the arguments in favour of British membership of the euro have been inadequately explained to the British public".

- *The EM received funding from the EEC and the Central Intelligence Agency to help its campaign in the 1975 referendum, and it is established that they have repeatedly lied about the sources of their funding and have established front organisations to handle embarrassing funds (further information coming soon).*

5. Young European Movement

- The YEM is the youth wing of the European Movement. Its members are aged between 16 and 30 and YEM branches are based in universities. YEM describes itself as being part of BiE: "a historic coalition of individuals, political parties and groups who believe that Britain cannot afford to go it alone outside the Euro". The YEM is also part of the federalist Europe-wide organisation the JEF ([Jeunes Européens Fédéralistes](#)).
- The YEM's activities are broadly similar to the European Movement. They hold and attend seminars, and take the pro-euro message to "youth" events such as music festivals etc.
- The YEM also receive funding from the European Commission. A recent postcard – widely distributed by the YEM – proudly acknowledged the support of the Commission.

6. AEEU

- Ken Jackson's pro-euro AEEU union is a major donor to the Britain in Europe campaign. According to BiE's annual report in September 2000, the AEEU gave more than £5,000 to the campaign in 2000. The AEEU also printed a recent BiE publication devoted to arguing that "Heath didn't lie" in the 70's. Greg Rosen, a BiE researcher, is currently on "secondment" from the AEEU.
- The AEEU also admits to receiving money from the European Commission. In their publication *The European Union, A guide for AEEU members*, the AEEU admit that their regular European bulletins are funded by the European Commission. The bulletins have consistently publicised the work of Britain in Europe and they carry regular pro-euro articles.

7. Euro Info Centres

- According to the EIC website, "Euro-Info Centres (EICs) provide local access to a range of specialist information and advisory services to help companies develop their business in Europe."
- [Euro-Info Centres](#) (EICs) are managed by the Enterprise Directorate-General of the European Commission (formerly DG X). There are 24 in the UK.
- **In five cases, the EICs are based in the same office as the local [Chamber of Commerce](#), in five cases with [Regional Development Agencies](#), and in four cases with [Business Link](#) organisations. For example, in Bristol, one person, Sarah Harris, represents the EIC, Business Link and Chamber of Commerce, and also sits on**

the Treasury's SW Regional Euro Forum. This is a classic example of the cross-over of the pro-euro network.

- EICs receive funding from the Commission, the British Government, Business Links, Chambers of Commerce, and commercial sponsors. For example, the North West Euro Info Centre's Memorandum of Association shows that its two shares are both owned by Business Link Merseyside Limited. The Business link is wholly owned by Merseyside Training and Enterprise Council, a Government agency regulated by the Departments of Education and Employment, Environment and Trade and Industry. **This EIC alone had a budget of over £300,000 in 1998-9. Projected for all 24 EICs, their total budget could be over £7 million.**
- They disseminate literature from the European Commission, the AMUE, and BiE.
- Patricia Hewitt has said: "I can assure you that the Treasury has not contributed funding towards any organisations campaigning for or against UK membership of the single currency" (26 July 1999). **It is clear from the above that the Euro-Info Centres – funded partly by the Commission and the Government – are disseminating propaganda under the guise of "information" from the Commission and the pro-euro campaign.**
- In addition to the Euro-Info Centres there are also six "Carrefours" in the UK, which act as smaller versions of the EICs in rural areas such as Anglesey or the Highlands and Islands of Scotland. Most are housed in Local Council facilities, one in Trinity College, Carmarthen and some receive funding from the National Lottery as well as the European Commission.
- The Euro-Info Centres and Carrefours elide the difference between "information" about the euro and disseminating pro-euro material.

8. The "yes" campaign

- [The "yes" campaign](#) is an internet campaign set up to provide pro-euro campaigners with the tools to, for example, write letters to local newspapers, fax MPs, recruit other supporters etc. The site also provides basic pro-euro arguments.
- The "yes" campaign appears to be keen to establish a media profile – it attracted a small amount of coverage when it launched in the summer of 2001. The "yes" campaign also had a minor coup over Britain in Europe when they were featured as the alternative pro-euro link to **no** on a *BBC News Online* story (23 October 2001).
- It is run by Andy Mayer, who also runs the Euro Information Network (see below), and he is a long-running critic of Simon Buckby.

9. Euro Information Network

- [The Euro Information Network](#) is an internet campaign which provides daily morning news summaries on euro issues.

10. Federal Trust

- According to the [Federal Trust](#) website: "The Federal Trust acts as a forum which explores federal solutions to issues of governance at national, continental and global level."
- The Trust is particularly keen on providing "information" on citizenship to schools. As the website proudly declares: "The Federal Trust's teaching materials on citizenship were designed to provide teachers with informative and user friendly suggestions for teaching aspects of the international dimension to citizenship ... The materials enable teachers and students to explore the European and international dimension to their lives."
- The Trust is funded by the European Commission ([click here](#)). The Commission also supports the Trust's course on "Practising Citizenship", an educational programme aimed at 14 to 18 year olds "which enables schools and colleges in the European Union to run courses ... on European citizenship, and to organise school-based mock elections."
- The Trust is also funded by the following companies: Axa Equity and Law, The Banker, The Body Shop, British American Tobacco, Lombard Odier, Schroder Salomon Smith Barney, Scudder Threadneedle International, Shell International and Unilever.

11. Local Government Group for Europe

- According to the Local Government Group for Europe's (LGE) membership document, "The Local Government Group for Europe exists to help local government people engage in the ongoing European debate and thus play their part in creating a European Union that is democratic, inclusive and respectful of diversity."
- However, the group has links to both the European Movement and BiE, as the membership document makes clear: "The LGE, working in close collaboration with the European Movement and the Britain in Europe campaign, carries out a range of activities focussing on the future development of Europe." They organise seminars and workshops etc. **The Group shares the same office as the EM and BiE.**
- The LGE is also linked to the European Commission: they "work closely and constantly alongside the official organisations building the united Europe, including the European Parliament, the European Commission, the Committee of the Regions, the Council of Europe, and the Council of European Municipalities and Regions."
- The LGE's officers include such euro supporters as Roy Hattersley, Denis MacShane, Ian Taylor and Baroness Nicholson.

12. Association for the Monetary Union of Europe

- According to the [AMUE website](#): “The Association for the Monetary Union of Europe (AMUE) was founded in 1987 by European industrialists who agreed on the objectives of monetary stability and a single currency for the success of the single market.”
- AMUE campaigns, mainly through high-level meetings and seminars, for Britain to join the euro, as its website states: The AMUE will “promote monetary union objectives in Denmark, Greece, Sweden and the United Kingdom to encourage their membership of EMU [and] facilitate the understanding and the early preparation for the euro of companies in these countries, so that their transition phases may be shortened”.
- You can view the “active members” of the AMUE in Britain by clicking [here](#). All these companies pay a subscription fee between 1000 euros and 10,000 euros, depending on the turnover of the company.
- The AMUE has close links with the British pro-euro lobby. Christopher Johnson, the UK Advisor to AMUE, is on the BiE board, and Ken Clarke is the only British member of the AMUE board of directors.

13. The British Youth Council

- The [British Youth Council](#) (BYC) describes itself as “the representative body for young people in the UK. An independent charity, run for and by young people it represents their views to central and local government, political parties, pressure groups and the media.”
- Despite the fact that the majority of young people back our position of keeping the pound and remaining in the EU, the BYC has a formal pro-euro position. The BYC is in the process of joining the BiE-run “[Youth Coalition](#)” which also includes the Young European Movement.
- The current Chairman of the BYC, Tris Brown, is a member of the Britain in Europe Council. The Chief Executive of the BYC, Bill Freeman, is also pro-euro.

14. Federal Union

- [Federal Union](#) was founded in 1938 “to campaign for federalism for the UK, Europe and the world.” It is part of The Union of European Federalists, an independent body, affiliated to the international European Movement.
 - Federal Union are campaigning for a constitution for the EU and are calling for a world currency.
 - Federal Union advertise the activities of other euro groups, including Citizens for Europe.
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We are sure that this document is not nearly complete. We have put it on our website just to start the process of investigating and publicising the insidious links between state and quasi-state organisations.

Please help us by providing more information. We particularly want to know details of how organisations are diverting their resources from real priorities to preparations for the euro to replace the pound.

Please e-mail to propaganda@no-euro.com , or call James on 020 7378 0436