

**STATEMENT BY THE PRIME MINISTER, TONY BLAIR, HOUSE OF
COMMONS, LONDON, MONDAY 15 DECEMBER 2003**

(Extrait)

With permission Mr Speaker, before I make a statement on the details of the IGC, I should say that the European Council also discussed Iraq. The Presidency Conclusions reaffirm the importance of the reconstruction of Iraq and condemn the recent terrorist attacks. These conclusions have been placed in the library of the House.

(....)

I now turn to the details of the European Council and Intergovernmental Conference which took place in Brussels on 12 and 13 December.

The negotiations which have been going on over the last 22 months have been about the effective management of the European Union after its enlargement to 25 countries next year. That enlargement is a hugely important event, not just for the countries concerned, but for the whole of Europe. The stability and prosperity of our continent stand to gain enormously from enlargement. That is why we negotiated the Nice Treaty three years ago to make enlargement possible. It is why we have been negotiating in the Convention, and now the Intergovernmental Conference, on a draft Constitutional Treaty.

A negotiation among 25 sovereign countries was bound to be complicated particularly on the issue on which the Nice negotiation almost foundered: the relative weight in voting terms which each country will have after enlargement. In the end it was on that issue that agreement proved impossible.

But a great deal of progress has been made and I pay an unqualified tribute to the Italian Presidency whose skill and tenacity made that progress possible. Prime Minister Berlusconi was able to sum up at the end of the meeting that, while of course, in formal terms, nothing is agreed until everything is agreed, there were some 82 points where consensus was close. These included key changes on very important issues for the United Kingdom. If this proceeds on the basis outlined by Prime Minister Berlusconi, tax, EU finance, social security and criminal law will all remain the province of the nation-state ie subject to decision making by unanimity and any further Treaty change will be subject to approval of national parliaments.

I should also highlight the fact that the European Council welcomed the proposals put forward by France and Germany and the United Kingdom on the future of European defence, which is limited of course to peacekeeping and humanitarian issues. These will strengthen the European Union's collective planning capacity while in no way duplicating, or conflicting with NATO which remains the basis of Europe's territorial defence.

The draft Constitutional Treaty is also close to an agreement in other ways which are important for this country. It contains a clear statement that the Union only has the powers which the nations give it. The Union only acts when objectives cannot be achieved by individual countries acting alone. There will be new powers for national

parliaments to be involved in EU legislation. It will be for the Union's national leaders, in the European Council, to set the strategy of the European Union and there will be a full-time chair of the European Council to drive forward that work. The European Commission will have all its necessary independent authority within that system.

As I said earlier, Mr Speaker, the outstanding point of difference was over the relative weight of the votes that Member States have within the EU. The Government made clear in our White Paper, published in September, that we were content with Nice system but were equally prepared to move to a new one, if there were a consensus for this. But this has been a particularly difficult question for Spain and Poland and I believe it was right to take time to find a workable solution rather than to plough on in the hope of an unsatisfactory compromise. This is particularly so since the voting provisions of the Nice Treaty only take effect in a year's time and - something often not fully understood - under the Convention proposal those Nice voting arrangements would anyway last until 2009. So we have time to resolve this issue.

Above all, this negotiation was living proof that the European Union is and will remain an organisation of sovereign Member States. We could not agree because agreement required unanimity. In time an agreement will be necessary to allow enlargement to work effectively. But we now have a chance to reflect and consider before proceeding.

In the meantime, the business of the European Union will continue under the existing Treaty framework. We are in contact with the incoming Irish presidency to take forward the Lisbon economic reform agenda at the Spring Summit next March. Eight central European countries, and Malta and Cyprus, will accede to the European Union on 1 May.

And we shall turn our minds to the next financing framework for the European Union, to cover the period from 2007. I have today, with the President of France, the Chancellors of Germany and Austria, and the Prime Ministers of the Netherlands and Sweden, written to the President of the Commission to emphasise the need for budgetary discipline over the coming financing period.

Ultimately, these negotiations are about the stability, security and prosperity of a Europe of nearly 500 million people, countries who are our principal allies and our major trading partners. It would be a serious mistake for any British Government to absent itself from those negotiations and to allow decisions vital to our security and prosperity to be made by others. We must continue to shape the future of Europe in ways that reflect our national interest. We can either be on the touchline shouting our criticism, or on the field as an active and successful player. I believe passionately that we must remain fully engaged. We will continue to work for the successful outcome of these negotiations.