

Foreign and Commonwealth Office News:

'BRITAIN'S PRIORITIES IN EUROPE' (10/12/03)

OPENING SPEECH BY THE FOREIGN SECRETARY, JACK STRAW, AT THE PRE-EUROPEAN COUNCIL DEBATE, HOUSE OF COMMONS, LONDON, WEDNESDAY 10 DECEMBER 2003

Mr Speaker, the Italian Presidency of the European Union will chair the European Council in Brussels this Friday 12 and Saturday 13 December. Today, the House has its customary opportunity to debate the Government's priorities. I also look forward to discussing them with members of the Foreign Affairs Committee tomorrow.

The main business of the Council will be negotiations in the Intergovernmental Conference (IGC) for a constitutional treaty for the EU. The Italian Presidency hopes to conclude these negotiations at this European Council. The government supports that aim. But equally, the government's fundamental concerns, like those of other member states, will have to be dealt with in any final package which we can agree. These concerns were spelt out in the White Paper which I published in September: they include retaining unanimity for treaty change and for other areas of vital national interest such as tax, social security, defence and foreign policy, key areas of criminal procedural law and the system of own resources, as well as satisfaction on energy and other matters, which have emerged as further priorities in the course of our consultations. If the treaty cannot be agreed at this European Council, we will carry on talking for as long as we need to get the right result.

As the Italian Prime Minister and Council President Silvio Berlusconi said at the weekend, 'an agreement at any price would be a serious mistake'.

Mr Speaker, parliament has never before been involved so fully in the negotiations for an EU treaty. Thanks to the work of our government and parliamentary representatives in the Convention, Parliament was fully briefed on proceedings there. Since May, there have been 7 debates or statements in this House on the IGC or the Convention. In September, the government published the White Paper setting out our aims for the IGC negotiations. I have twice given evidence to the European Scrutiny Committee and twice attended the IGC standing committee, most recently on 1 December; and my hon Friend, the Minister for Europe, has attended the IGC standing committee three times. Furthermore there have been two reports on the Convention or the IGC by the European Scrutiny Committee, and thirteen reports by the Lords' EU Select Committee. All this Parliamentary debate has been most useful for the government in the IGC negotiations, and has helped strengthen our negotiating position.

Mr Speaker, it is in the nature of any negotiation that a consensus builds up from the relatively straightforward issues to the most difficult. This inevitably means that some of the issues which are key for the UK, including aspects of QMV, cannot be settled at least until this weekend, along with similar first order issues for other countries, like Commission size and voting weights.

But the six meetings of the IGC which I have attended have made considerable progress on many issues, and have narrowed but not eliminated the issues in serious contention. The Presidency has responded to these discussions with two packages of proposals. The latest of which was tabled yesterday afternoon. I have placed a copy in the Library of the House. It includes better language on the Charter, energy and on giving this or any other national

parliament a lock on any future extension of QMV. But there is still a lot of hard negotiating to be done - on tax, foreign policy and other fundamental issues.

This is a good moment to remind ourselves why we're negotiating this IGC. It is because the prize - a constitutional Treaty which is right for Britain and for Europe - is so important.

On 1 May next year, eight of Europe's new democracies, along with Cyprus and Malta, will join the EU. Later, Romania and Bulgaria will follow: the European Council should confirm the target of next year for the two countries to close negotiations, allowing them to join the EU in 2007. The Council will also discuss Turkey's progress towards meeting the criteria for opening EU membership negotiations. As the House knows, the government strongly supports Turkey's prompt accession to the EU once it meets those criteria.

The word historic is overused - but I make no apologies for using it in the context of EU enlargement. Only 14 years ago, the Iron Curtain divided Europe, with central and eastern European countries trapped under communist dictatorship and sinking into economic and environmental neglect. Joining the EU will mark the culmination of these countries' transition to free and democratic societies and prosperous market economies. It is a tribute to their efforts and energy that they have made that transition so quickly.

Enlargement is overwhelmingly in Britain's interest, which is why successive British governments have been its strongest supporters. Through enlargement Britain will gain access to an expanded single market of 450 million people. New partners will help us better face the shared challenges of an uncertain and interdependent world.

Mr Speaker, the European Union we have today has institutions essentially designed for 6 members. It needs reform if it is to work effectively at 25. But no reform is preferable to a bad reform: as I made clear in our White Paper on the Constitutional Treaty (paras 26, 36, 107), the EU would carry on under its current arrangements if a new Treaty cannot be agreed or ratified by every member state. However, if we can get the IGC right the prize is a more effective and efficient EU able to meet the challenges of enlargement, focussed not on institutional minutiae but on delivering security and prosperity to its citizens.

Mr Speaker, I set out in an article in *The Economist* in October last year how the government wanted a new Constitutional treaty for the EU to look. I said then that it should explain 'what the EU is - a union of sovereign states who have decided to pool some of that sovereignty, better to secure peace and prosperity in Europe and the wider world. It should confirm that the Union exercises only those powers which are explicitly and freely conferred on it by the member states, which remain the EU's primary source of democratic legitimacy.' I said the new treaty should 'draw a clear distinction between supranational and national competences'.

At the start of the debate on a new constitutional treaty, it was by no means clear that this was the kind of result we were going to get. There has long been a debate about how Europe should work. On the one hand was the federalist view - often the result of a different history to ours, or a different political culture. On the other were more practical Europeans, like I believe the vast majority of the British people, who wanted to enhance our prosperity and influence by working together with our neighbours. The kind of Constitutional treaty I described in the *Economist* was based on that practical view.

So the government was clear about what we wanted from these IGC negotiations - but we had a choice of how to get it. We could just have accepted everything that the most committed integrationists wanted or have rubbished the whole thing. But we rejected both approaches,

making clear what we wanted and working constructively with our partners to get there, while standing firm against changes which we couldn't accept.

As a result we already have many of the elements of a treaty which endorses our vision of a Europe of nation states which works efficiently in Britain's interest. The idea of a federalist superstate is yesterday's fantasy, not tomorrow's reality.

The treaty will be not a federalist blueprint but the framework for a Europe of sovereign nation states working together to achieve common aims and combat shared challenges.

Let me cite what the House of Lords Select Committee on the EU said in a recent report: 'the draft Treaty expressly states that the Union can only act within the limits of the competences which the Member States have conferred on it... We support this approach because the draft Treaty makes plain the intention that the European Union remains a union of sovereign Member States'. [Session 2002-03, 41st report, 29 October 2003, para 321] Our European partners recognise this too. The leading French commentator Alain Duhamel has said the Convention's draft treaty set out a great British Europe (une formidable Europe britannique - speaking on RTL radio, 16 June 2003).

Mr Speaker, there is a myth put about by those who would take Britain out of Europe, which paints the EU as a threat to British sovereignty. It is a profoundly defeatist view of what Britain can achieve. It assumes that cooperation with our neighbours comes at the price of diluting our national character.

The government has more confidence in Britain than that. We have shown that by engaging constructively, rather than sulking on the sidelines, we can mould the debate in Europe. And we recognise that we can increase our influence, and the security and prosperity of the British people, by working together with our partners.

Take problems such as illegal immigration, drug smuggling or organised crime. We can't just wait until they reach Dover: we need to act with our partners to tackle them before they get here. So we support measures which would cut out 'asylum shopping', and we have already agreed that asylum seekers' claims have to be dealt with in the first EU country they claimed asylum in. We have agreed common minimum penalties for the most serious cross-border crimes, including terrorism and human trafficking, to make sure that they cannot go unpunished. Our police forces can now run joint investigations into drug traffickers, for example, with colleagues across the Channel.

Europe is not just about tackling shared problems: it is of huge benefit to Britain's prosperity too. The single market is probably the EU's greatest achievement. It gives British companies a level playing field in Europe by setting common rules and standards for the products and services they sell. The rules are set by qualified majority voting - QMV - and thank goodness they are. Imagine if one country could block any measure it wanted just to protect domestic producers from competition: we would never get anywhere. But with common action we have created the biggest single market in the world, and British companies have been the first to benefit.

Looking ahead, Europe has an ambitious agenda of economic reform to deliver jobs and growth, in which Britain is playing a leading role. One example of this process is the 'European Action for Growth' initiative, which the European Council will discuss this week. Its aim is to boost competitiveness and growth by encouraging investment in transport infrastructure, telecommunications, research and development and innovation.

Mr Speaker, working with our European partners enhances Britain's security as well as our prosperity. Again, the agenda of the European Council is a good example. The Council will adopt High Representative Javier Solana's European Security Strategy, which should help us to tackle global security threats more coherently. The Council will also discuss strengthening the EU's relationship with the Arab World; and earlier this week in the GAERC we considered the Middle East peace process, Iran and Iraq.

Acting together in foreign policy, when it is in our interests to do so, doesn't diminish Britain's sovereignty: it increases our influence. When I visited Iran in October with my counterparts from France and Germany, Dominique de Villepin and Joschka Fischer, I did so as the foreign minister of a sovereign nation state - as did they. But what we achieved together was far more than we could have achieved alone.

It is also clearly in Britain's interests to work for stronger defence capabilities in Europe which complement NATO. The Atlantic alliance has been and continues to be the foundation of our security, and we shall do nothing to undermine it. But it makes sense that Europe has the capacity to sort out problems on its own doorstep, such as peacekeeping in the Balkans, without always having to rely on the US. Cutting across NATO would weaken our defences, and we shall not let it happen. But better European capabilities - for which the US have long argued - will strengthen our defence.

The new articles tabled by Britain, France and Germany make clear for the first time in an EU Treaty that NATO is the basis for the collective defence of the allies, and ensure that structured defence cooperation is handled inclusively.

Mr Speaker, by engaging constructively and arguing firmly for what we want, we shape the debate in Britain's direction.

That's what we did throughout the Convention, and it continues to be our approach to the IGC negotiations. We'll carry on talking and working until we get the right result in these negotiations - for Britain and for a more effective Europe ready to meet the challenge of enlargement.