



## A Defining Moment?

*A review of the issues and options for Britain arising  
from the Convention on the Future of Europe*

NORMAN BLACKWELL

“The Union stands at a crossroads, a defining moment in its existence. The unification of Europe is near. At long last, Europe is on its way to becoming one big family.”

Laeken Declaration setting up the Convention on the Future of Europe.

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## INTRODUCTION

ALMOST UNNOTICED by most of the public, the Convention on the Future of Europe set up by the EU Council of Ministers has been working over the last year to draw up far reaching proposals for the next – and perhaps final – stage of European development, including the introduction of a formal EU Constitution.

This body is due to present its report to the Council of Ministers in June. However many of the emerging conclusions from its Working Groups are now in advanced form, and only last week a significant part of a draft constitution was unveiled. By the time the Convention reports, the proposals will be fairly firmly established – reflecting the consensus of the majority of Member States. The current timetable calls for these proposals to then be debated and approved by the Council of Ministers as a new Treaty later in 2003, and to be ratified by Member States possibly as early as 2004 or 2005.

The time for influencing these proposals before they become set in stone is therefore very tight; and the UK will then be faced with the request to accept and ratify the Treaty in its entirety in the form in which it finally emerges.

Yet, while the arguments about membership of the Euro rages on, very little debate has taken place about the possible consequences of this even more fundamental set of constitutional proposals. Nor, despite the magnitude of the proposed changes, has there been any suggestion from the Government that it would promote a referendum on the new Treaty, as opposed to passing it through Parliament as a matter of routine business.

This pamphlet seeks to stimulate that debate by exploring two questions:

- What would be the probable consequences of these constitutional changes?
- And what are the choices UK may face?

It concludes that the issues raised are so fundamental that the case for a referendum on any new Treaty is unanswerable.

## CHAPTER ONE

### **EVER CLOSER UNION: THE ENDGAME IN SIGHT?**

It is true, of course, that political unity is the central aim of these European Countries and we would naturally accept that ultimate goal.

Harold Macmillan, 1961

DESPITE THE ASPIRATIONS of Europe's founding fathers, reiterated many times by European leaders, and made explicit in the language of the Maastricht Treaty that sets out the objective of continuing the 'ever closer union of the peoples of Europe', British politicians over the last three decades have convinced themselves and much of the public that the ultimate destination of a 'United States of Europe' would never come about.

First, it has been argued, none of the other proud European nations – particularly France or Germany – would tolerate subjugating their national identity to a European super-state any more than the British. Their national politicians and the EU officials who appear to advocate stronger political union should not be taken seriously. Second, the British should have confidence that they are capable of winning the arguments – and that, by participating wholeheartedly, they could shape a Europe that fitted its image.

Despite those reassurances, most observers would agree that the last three decades have seen a step by step strengthening of the central powers of the European Union relative to its Member States – through the extension of qualified majority voting, the development of new pillars in home and foreign affairs, the strengthening of the powers of the European Parliament and the continuous development of the European Courts and European Law as the superior legal jurisdiction. These moves have been welcomed by many as a rational development of a closer community of nations; and equally feared by others as part of an unstoppable ratchet towards loss of national sovereignty.

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With the Convention on the Future of Europe due to report over the next few months, the most significant step yet in the evolution of the European Union could be imminent. Until its final report is published and agreement reached in the Council of Ministers, it is uncertain whether the Convention will signal the final steps towards putting in place a fully fledged European Political Union; or whether it will mark the high tide of the Integrationists by reinforcing national sovereignty. But the evidence is growing that it is more likely to be the former than the latter – and by the time the Convention reports many of the conclusions will be fairly clearly established.

For it is no longer necessary to rely on the occasional speeches and interviews from EU insiders and advocates to point the way. A preliminary draft of Giscard d'Estaing's full report was published last November, and a fuller draft of the first 16 articles has emerged in the last few days. (These are reprinted as Appendices One and Two). There are also several interim proposals from many of the detailed Working Groups, in which Britain has participated alongside other Member States.

While the draft constitution published in November was described as 'illustrative' and 'not intended to prejudge the results', it clearly set out a framework for formalising a legal constitution for a Union of European States.

These draft proposals included:

- establishing a new single legal entity for the Union (with its name possibly changed from the European Union to United Europe or United States of Europe). This would have an international legal personality (to represent Europe and sign Treaties);
- confirming wide-ranging objectives for this Union, including Economic and Social Cohesion; Economic and Monetary Union; Liberty, Security and Justice; and Common Foreign, Security and Defence Policy (with the



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division of competency between 'Europe' and nations to be determined);

- giving every Citizen dual Citizenship – European Citizenship and National Citizenship – with defined citizenship rights and duties (to the European entity);
- establishing a single institutional structure to exercise power under this constitution (including Council and Council President, Commission and Commission President, Parliament, Court of Justice, Central Bank), with an obligation of loyal cooperation on Member States in implementing the acts of the Union institutions; and,
- the possible establishment of a new Congress of the Peoples of Europe. It has been proposed that this should draw members from existing national parliaments, to enhance the 'democratic legitimacy' of the European Institutions to act directly.

The more detailed draft of the first 16 articles published on 6 February 2003 go even further in confirming the intended shift of power towards a Union operating on what it describes as a 'federal basis'. While recognising the principal of subsidiarity, its proposals for competences (in other words, law-making powers) explicitly exercised by the Union include:

- Union competence to co-ordinate the economic policies of Member States;
- Union competence to define and implement a common foreign and security policy, including the progressive framing of a common defence policy (and with an obligation under proposed article 14 for Member States to support unreservedly the Union's common foreign and security policy and refrain from action likely to undermine its effectiveness);

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- shared competence over a wide range of other areas including social policy; public health; freedom, security and justice; energy and transport, with a declaration (article 10) that Member States should only exercise their own competence in these shared areas if and to the extent that the Union has not exercised its competence;
- incorporation of the Charter of Fundamental Human Rights as an integral part of the Constitution (which would extend EU legal competence over a wide range of potential national legislation, including areas such as industrial and employment law).

Beyond these specific powers, the proposals also include a wide ranging 'Flexibility clause' under Article 16 which allows the Union to take 'appropriate measures' to support any of the objectives set by the Constitution where the Constitution has not provided the necessary powers, acting unanimously on a proposal from the Commission and after obtaining the assent of the European Parliament.

### **The response of the British Government**

The British government has reacted to the latest draft proposals by declaring that some of what is proposed is unacceptable, and goes beyond what they had expected. However, in a little noticed speech in November 2002 (reproduced in Appendix Three), Britain's Prime Minister set out the Government's agenda in terms which are unambiguous in their support for a more powerful European entity. Tony Blair explained his philosophy as follows:

We must end the nonsense of this far and no further.

The basic ideology should be described in this way. Europe is the voluntary coming together of sovereign nations. Their will is to combine together in the institutions of Europe in order to further their common interests. In so far as it is necessary to achieve these interests, they therefore pool their sovereignty in Europe.

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There is no arbitrary or fixed limit as to what they do collectively; but whether they do it depends on their decision as a group of nations. So whilst the origin of European power is the will of the sovereign nations, European power nonetheless exists and has its own authority and capability to act.

In the same speech, he described the objective of his own proposals as:

The strengthening of Europe at every level: Council, Commission, Parliament and Court.

And he went on to advocate the following steps to achieve that:

- the adoption of a 'proper constitution' for Europe;
- a stronger President chairing a strengthened Council of Ministers for a fixed term;
- more decisions by QMV, with fewer national vetoes;
- Home affairs and Justice incorporated as part of the competency of the EU, rather than as at present the subject of separate agreement between the nations;
- a strengthening of European foreign policy, with a stronger role for an EU High Representative to speak for Europe;
- a stronger Commission with more authority to enforce European rules and laws;
- a stronger European Court with more ability to enforce European laws through fines on national governments;
- more power for the European Parliament to vote on EU legislation and budgets;
- a greater role for National Parliaments to defend a newly-defined subsidiarity principle (by flagging where prospective EU legislation intrudes on areas which have been defined as appropriate matters to be left to National Governments).

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With the exception of the Presidency – on which there has been ongoing debate between those countries who support Mr Blair’s position and those countries who favour a stronger Commission President – all of these are in line with the emerging conclusions from the detailed Convention Working groups. With the support of the British Government, they are almost certain to be part of the final proposals.

The Prime Minister also set out a number of other areas where others were advocating the further enhancement of EU power, but which he would seek to oppose. These included:

- the incorporation of the Charter of Fundamental Rights into the EU constitution;
- moving Defence and Foreign Policy from inter-governmental areas to part of the competence of the EU;
- a strengthened Commission President, appointed by the European Parliament, with greater power than the Council of Ministers.

The first of these is a cherished objective of most of those involved in the constitutional convention. As noted above, it has now been included in the draft constitutional proposals. As for Defence and Foreign Policy, while the Government might succeed in watering down the proposals in the current Constitution draft, it is clear that there is strong momentum – supported by the Commission – towards greater ‘integration’ of both of these areas under EU power-sharing structures, whether or not as a full part of EU competency. And the contest over the Presidency may now have been resolved by the recent bilateral agreement between Germany and France to support the twin approach of both a Commission President elected by Parliament and a continued Council President.

The UK Government is keen to assert that these changes will not represent the creation of a ‘European Superstate’, and has argued that the formal recognition of ‘subsidiarity’ in a

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constitution which defines and delineates the power of Europe reinforces the principle of a Europe of Nation States. Others argue that a legal entity with a constitution, citizens, claim to democratic legitimacy, external representation and control over many of the bases of legislation and legal enforcement is hard to distinguish from a 'state' in practice. Furthermore the way subsidiarity is defined – as a European constitution defining the areas where individual states have freedom of action – could be seen as reinforcing the primacy of the pan-European structure, with the Union itself having the ultimate power to determine where and how it may need to extend its competences

### **The need for debate**

These developments raise a number of questions:

- If this – to a greater or lesser extent – is the future for Europe, is it a future that Britain should embrace?
- Or should Britain decide that this is the final crossroads at which it – possibly in company with some other EU members – finally parts company from a core group of continental nations who press on with their own agenda without us?
- Does Britain really have a choice or is it historical destiny?

The response to these questions will have perhaps the most fundamental influence on the future shape of Britain since the Norman Conquest. Within two years – possibly as early as 2004, which would be before the probable date for the next General Election – the British Government could be faced with ratifying a Treaty that, for the first time, makes the British constitution subordinate to a new and superior constitution outside the UK. If all the changes proposed come about, it could be argued that it effectively marks the end of Britain as a self-governing democratic country. Yet, amazingly, the issues and arguments are hardly yet recognised as legitimate topics for public debate.

In order to help foster such a debate this publication sets out to summarise in the next Chapter some of the reasoned arguments

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why Britain might consider that its choice as a nation might differ from many of its neighbours on the Continent; and in Chapter 3 to explore what a practical alternative might look like. Finally Chapter 4 summarises the questions that arise from this that Britain should openly debate before making – what all sides of the debate agree – will be an historic and fateful choice. And it argues that such an important constitutional decision should only be taken after engaging the public through a referendum.

## CHAPTER TWO

# IS EUROPEAN UNION THE RIGHT ANSWER FOR BRITAIN?

THE ARGUMENTS FOR ever-closer union – the ‘pooling’ of national sovereignties into an overarching political and legal union of states – rest on a number of assertions and personal beliefs. At their heart is a conviction that the different nations of Europe are fundamentally a single people sharing a sufficiently common set of values and cultural history to bind them together within a single democracy, with a common set of political institutions and legal structures.

The original driving aspiration behind such political integration was to reduce the chances of a future European war; it now extends to creating a European power block capable of rivalling the US in world affairs – with the proposed new members increasing that power balance. A second declared objective is economic – with the belief that transmuting the original concept of a common or ‘single’ market into a single integrated economy managed as one entity will create a stronger economic block. Finally the EU has come to be seen as a guarantor of a common standard of Human Rights across Europe – helping ensure that those countries with less stable traditions, and particularly new members brought in from the east, are kept up to the mark.

All these are worthy objectives. But they beg the question as to whether the fundamental premise of common political values and culture is sufficiently strong to override continuing national differences – or whether the attempt to force all countries into a single democracy could instead exacerbate the very tensions the EU originally aimed to eradicate.

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And, while there may be one answer for those countries which share common borders on the Continent, is it necessarily the same answer for the UK? Or, indeed, for some of the new accession countries?

One starting point for this debate is the reasonable belief that a stable democratic government is only workable when the people sharing that government feel bound together as a common nation. Only then are they likely to be ready to accept that majority decisions of a common electorate that benefit one group as against another are a fair judgement of their own people. If they do not feel a 'common nation', the danger is that the imposition of majority decisions may be resented as an unfair bias that favours a 'different' group. The history of attempts to impose single political unions across 'nations' – most recently in Yugoslavia and The Soviet Union – demonstrate just how unstable such structures can be when not imposed by brute force.

It can also be argued that the absence of a common nation that is able to support an open democracy tends inevitably to foster the creation of a more powerful, but less accountable, central bureaucracy.

So the substantive test has to be whether, at this point in history, Britain is politically and economically willing to feel part of a single European state, and a single European electorate. There are a number of arguments why this may not be the case – arguments that would lead Britain to decide this final step towards political union is one from which, whatever its neighbours decide, it should opt out.

### **Variations in political values**

Variations in political values and cultures across Europe are perhaps the hardest to make tangible. But this diversity is nevertheless at the heart of whether it is feasible and desirable to merge the peoples of Europe – with the many different languages and historical backgrounds – into a single political union. Of course the shared cultural heritage is far greater than any



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differences, and forms the bedrock of Western alliances – but the relatively recent history of European conflicts shows how far it has been from feeling a common nation.

While any generalisation is necessarily imperfect, the most important differences in political values across Europe are perhaps between those countries and regions where there is an historical acceptance of a dominant, top-down state and those where the historical legacy has emphasised the rights of free individuals.

While historians may argue about the relative impact of different influences, there are a number of reasons why, on the whole, much of continental Europe may be more conditioned to accept the primacy of a powerful state than those whose roots lie in the Anglo- Saxon (or indeed Scandinavian) traditions.

Much of Europe has limited experience of stable, democratic government within the current sovereign nations. As has been pointed out, most of the 38 current and proposed Member States have formed part of one or other empire for much of the last half millennium, and only emerged from feudal monarchy or imposed imperial rule in the last century or two. And during the last century, 24 out of the 38 states had either communist or fascist governments, and a further six were occupied by powers with such governments.

Britain (or at least England), by contrast, has been developing as a democracy for almost a thousand years – since the Barons at Runnymede bound the King through Magna Carta – and arguably with a Saxon tradition of appointed rather than anointed leaders for some time before that. While Britain may not have a unique claim to democratic traditions, the annual symbolism of the elected Commons slamming the door of the Commons in the face of Black Rod, the representative of the Queen and source of legal authority, reflects a deep and hard fought belief in the rights of free people to govern themselves.

Alongside these different political traditions, many would also point to a difference in emphasis between those countries most influenced by traditional religious teachings that stressed clerical

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authority and obedience, and those more influenced by the new thinking that flowed from the reformist movements which stressed the individual's ability to shape their own destiny. While the Reformation and its aftermath dominated the middle part of the last millennium in Western Europe, those tensions have thankfully now mostly receded. Nevertheless, while there is clearly no single, neat dividing line between a more traditional southern Europe and predominantly reformist Northern Europe, the wider cultural impact of the historic dominance of religious teachings on public attitudes – and the scope for individual freewill – cannot be ignored.

The manifestation of these different political and cultural legacies is the difference in attitude towards the rights of the individual versus the state, and the willingness to tolerate rule by a remote political élite – of which the European Commission and its Directorates is the latest manifestation. In one tradition, the state is assumed to have a natural role in shaping the lives of its citizens; in the other, the state is there only so long as it is agreed and tolerated by people who regard themselves as having rights that transcend the powers of their temporary rulers.

These differences may help to explain why much of the Continent has adopted a social democratic 'corporate state' model of economic intervention and social legislation more readily than Britain, which in its attitudes is arguably still more closely allied to its free market American offspring.

### **Differences in legal structures between the UK and continental models**

These historical and cultural differences are reflected and reinforced in the different legal traditions of the English and continental models. Under the legal systems arising out of the 'Code Napoleon', an all-powerful state sets down the freedoms which it grants to citizens, and for which it stands as guarantor. The state itself is seen as having interests in its own right, which the laws seek to advance. The governing philosophy is that the state is the pre-eminent power, and if laws do not fully reflect the

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intention of the state the courts will interpret that intent rather than stick to the letter of the law.

Conversely, the origins of English common law took the rights of the individual as pre-eminent – with these rights taken as defined by custom except where specifically constrained by laws. The intent of the state has no legal power unless translated into laws, and the letter of the law is therefore of great significance.

These different legal structures cannot easily coexist – for they can lead to very different interpretations of common EU regulations and legal frameworks. The reality is that the current supremacy the UK has given to European Courts means that individual rights and customs under UK common law are gradually being substituted by EU court judgements and precedents – a process further accelerated since the UK's adoption of the European Convention on Human Rights into UK law as the Human Rights Act 1998.

If this process is taken to its ultimate conclusion by the formal adoption of a single European legal system under a new EU constitution, the change – and all its ramifications for UK traditions and customs – will be complete and final.

### **Differences in the historical legacy of national identity**

The very concept of 'nationhood' also has different significance in Britain relative to many of its neighbours. Even in the last century – and for centuries before that – the land borders between adjacent continental powers moved backwards and forwards with each military engagement, emphasising the fear that national boundaries afforded little or no protection.

And, as noted above, for much of the last 2000 years since the integrating control of the Roman Empire, large parts of continental Europe have spent formative periods of their history as components of a succession of other large imperial structures – such as the Holy Roman Empire of Charlemagne, the Napoleonic empire of France, and the Austro-Hungarian Empire.

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Furthermore, many European countries – including Germany and Italy – only emerged as the nations recognisable today during the 19<sup>th</sup> and 20<sup>th</sup> Centuries.

Britain, as an offshore island, has by contrast remained remote and untouched by much of this turmoil. Although it has had several periods of new settlement, the emerging nation – including its Welsh and Scottish constituents – has been able to evolve its own form of democratic government, its own culture and its own institutions with a strong sense of identity and independence. While the more jingoistic forms of nationalism may have receded since the high noon of the British Empire, the residual national pride should not be underestimated.

It would not be surprising, therefore, if some of Britain's continental neighbours were less troubled by submerging often new and more transient national loyalties into a larger power block in exchange for the promise of greater future stability, and – for some – a greater opportunity to share in power than they have historically achieved. For Britain, however, the loss of sovereignty implied by the further integration of the European Union is a deeper loss – and one that may not so easily be accepted by the public at large.

### **Differences in economic structures and approach**

These differences in cultural attitudes – which make the assumption of a European national demos questionable – are paralleled in the different economic structures and approach in Britain versus the Continent.

Britain's history has been as a great trading nation. Despite a period of post-war economic malaise, Britain successfully recaptured an enterprise, wealth-creation model over the last decades of the 20<sup>th</sup> Century, based on free markets and limited regulation. The combination of low corporate and personal taxation, flexible labour markets and minimal government interference not only allowed much of British industry to regenerate its international competitiveness but also acted as a magnet for foreign investment into Europe.

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Many politicians in continental Europe, however, still view this free market model as anathema – since it runs counter to their presumption that the state should have the primary role in shaping public welfare. The predominant model in Europe since the war has been corporatist or ‘social-market’ in philosophy, with national or European level governments taking the lead in planning and encouraging economic development, including support and protection for chosen industry sectors and ‘national champions’.

Central to this model has also been the promotion of a stakeholder model which has placed organised labour as a social partner and co-decision maker in industrial management. As part of this settlement, industry has been bound into a broad set of social obligations and labour market restrictions – for example on consultation of workers, limitations on redundancy, working time restrictions – all aimed at limiting management’s freedom of action in the name of giving workers greater protection from free market forces. While its advocates claim that this creates a more secure environment for labour to accept change and modernisation, its critics claim that the restrictions and added costs simply serve to damage competitiveness and hinder innovation.

The success or otherwise of this social market model may still be debated – and it clearly still has mainstream support across most of Europe. But it is not the model that Britain has chosen to date. Nor has any compelling case made that Britain should choose it – the evidence suggests otherwise. Britain’s success relative to the rest of Europe in winning inward investment indicates which environment has been preferred by global businesses. And far from protecting employment, the rigidities of the continental model have produced slower economic growth and higher unemployment rates over the last decade than either the UK or the US, which have practised a more market-orientated model.

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### GDP GROWTH RATES %

	1980/90	1990/95	1995/2000	2000/2001
EU-14 (exc. UK)	2.4%	1.6%	2.6%	1.3%
UK	2.7%	1.8%	2.9%	2.0%
US	3.2%	2.4%	4.1%	0.3%

Source: OECD

Another major structural difference between the UK and continental economies – as has frequently been pointed out in debates on the Euro – is the difference in scale between future state pension liabilities. The social model on much of the Continent has encouraged people to rely on a future state pension paid out of future taxes. In the UK, by contrast, there has been – at least until recently – a much more favourable environment to encourage occupational and personal pension savings, as well as personal accumulation of wealth through home ownership. Looking forward, the scale of the future tax increases needed to pay for unfunded state pension liabilities in countries such as Germany and France compared to the UK is a potential huge burden on their future economies, and on those countries bound into the European economic and monetary framework.

With the adoption of the European social chapter and the extension of QMV in many areas of economic and industrial policy, the UK is already being drawn into the European approach. If Britain were to form part of a more integrated European political and economic union – which almost certainly would have to presume membership of the Euro in due course – it would have no choice but to embrace the European approach to social and economic management and all its consequences.

### **Differences in global outlook**

All these differences in cultural and economic approach between Britain and the Continent are reflected in the different outlook that they have on the outside world, and in particular their relationships with the US.

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Many – though admittedly not all – in Britain feel a natural affinity with the US as a country that shares much of its heritage, its belief in individual freedoms versus the state and its free market economic philosophy. As the fourth largest world economy and country which, through its Commonwealth legacy, still has a major voice in the world, people feel comfortable maintaining a close military and trading alliance within an Anglo-American axis as well as with other countries around the globe with whom Britain has historical ties.

Many – though again not all – in Europe, by contrast, harbour a deep suspicion if not antagonism towards the US, based on their fear of US/Anglo cultural and economic imperialism – a fear most deeply held perhaps in France. Other European countries, having lost their overseas empires without retaining the same breadth of connection as the UK Commonwealth, are more inclined to turn inwards to Europe – seeking to create a secure European power block which can be a rival to the US.

A Britain which becomes subsumed in a European political union, with external representation in foreign affairs as well as trade transferred to a EU ‘high representative’, will have much less opportunity to make its own voice heard on the world stage. Indeed, one consequence could be the UK giving up its separate seat on the UN Security Council in favour of a single EU representative. The likelihood is that, instead, the UK will find itself increasingly made party to EU initiatives aimed at distancing it from its North American and other traditional world allies.

### **So is Britain’s future necessarily as part of a European Union?**

Faced with this analysis of the differences in political values, traditions and outlook between Britain and the Continent, would it be right for Britain to pin our future on becoming a component of a more integrated European State?

Some may argue that these differences are exaggerated, that modern Britain – social democratic Britain – is now converging with European attitudes. But those who accept that fundamental

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differences still exist – and particularly those who favour retaining the traditional British values and approach – fear that attempting to impose a European political structure will not serve British interests.

In the first place there must be a real concern that the imposition of further power transfer to a remote European level government will simply not be accepted once the reality of EU intervention in (and control over) British life becomes realised. Are the British people ready to accept the consequences of being a minority participant in a common democracy if they do not yet feel part of a common, European nation? Like the unwilling province of a larger empire, the consequence could be resistance, opposition and increased rather than reduced national tensions. And secondly, there can and should be real doubt as to whether the loss of Britain's distinctive constitutional freedoms, legal system, economic approach and freedom to pursue its own global alliances is a price worth paying.

In order to have this debate openly, however, there has to be an understanding of what the alternative could be. This is explored in the next part of this review.



## CHAPTER THREE

### DOES THE UK HAVE AN ALTERNATIVE TO EU POLITICAL UNION?

AN EASY WAY to stop debate is to assert that the only alternative to signing up to all the provisions of European integration is to leave the EU entirely. Such a step, it is asserted, would be economic madness. Britain's European future is therefore inevitable, and Britain should simply focus on getting the best terms for Britain that position it at the heart of the new emerging European power.

None of these assertions are justifiable in the cold light of day. In the first place Britain can simply say 'no' to the new Treaty, exercising a veto that would force the EU as a whole to stay with the *status quo*. If a core group of states wanted to press ahead with deeper political and economic union, they would have to do so by setting up new legal structures outside the current EU framework. If the arguments for resisting the absorption of Britain into a new European-wide constitution also applied to many other current and prospective members of the enlarged EU, Britain might not be alone in preferring that.

However, simply retaining the *status quo* could also miss an opportunity to use the focus of a new Treaty negotiation to agree a new and better relationship with Europe. The right to veto the new Treaty gives Britain substantial bargaining power. So there is no reason to assume that Britain could not negotiate a special position within a new EU Treaty that protected its economic interests without being part of the core of integrating states, nor that – as an ultimate negotiating position – Britain should necessarily fear withdrawing, perhaps to an associate status, if that were the only way to preserve its nationhood.

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The major economic benefit the UK realises from its membership of the EU is participation within the 'single market' – providing a large and geographically proximate market with the intention of minimum constraints on trade. However, while this accounts for roughly 50% of British external trade (more in manufactured goods, less in services), the proportion of the UK economy dependent on this trade with the EU has been calculated by the Institute of Directors as less than 15% of GDP. And trade with the EU has also grown less rapidly than trade with other global export markets. Furthermore, Britain is the largest single export market for core (Eurozone) EU countries and has a net trade deficit with the rest of the EU. It seems implausible, therefore, that Britain's EU partners would seek to punish its unwillingness to sign up for political union by creating trade barriers to exclude the UK from the European market.

Indeed several non-Member States – including Switzerland, Norway and Mexico – already have reciprocal trading relationships at least as favourable as those currently enjoyed by Britain. Switzerland and Norway are both members of the European Free Trade Association (EFTA). Norway also participates in the EU internal market under the European Economic Area (EEA) agreement. In both countries exports to the EU as a proportion of GDP – and per head – are considerably higher than for the UK. And Mexico negotiated a Free Trade Agreement with the EU in 1999 despite also being a member of NAFTA.

Furthermore, with the success of recent GATT rounds in lowering tariffs across the world, and the growing importance of global standards in many trade sectors, the significance of the European Union as a privileged trading area is rapidly diminishing. The average level of tariffs on international trade is now estimated at less than 4% – and is still falling. Britain's ability to win share of new growth markets such as China and South East Asia, and to attract global enterprises to position part of their value-creation in the UK, has more to do with the competitiveness of the UK in world markets than to its membership of a European

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trading club. And, while this is not the place to rehearse all the arguments about the Euro, as time passes it is increasingly evident that the UK – and importantly the City of London – is continuing to outperform its continental neighbours without integration into the Eurozone currency.

The primary alternative to being part of a full political European Union is therefore to negotiate an associate position with a free trading agreement with the rest of the European market. This would exclude membership of the new EU constitution. Britain could continue to be a member of the single market – and the various structures set up under the Single European Act to implement the single market – or in an EFTA-like agreement outside single market regulations. As long as Britain would still have access to continental markets, the benefits of remaining a member of the single market is clearly open for debate. Having an associate status would lose Britain what influence it currently has through QMV (about 12% of votes prior to enlargement, falling to 8% after enlargement). But it would also free UK businesses from having to comply with many existing and new social market regulations. It could also leave Britain free to negotiate its own new trading relationships, such as participating in NAFTA.

However, under either scenario, Britain would not participate as full members of the new constitutional structures of the European State – the Presidency, Commission, Council of Ministers, European Parliament, and European Court – nor would Britain accept their superior legal authority over the UK Parliament and courts. Britain would wish them well, but retain its own independence.

So far as defence and security issues are concerned, Britain could retain its current partnerships and alliances. When in its own interest, on the basis of inter-governmental agreements, Britain would be free to co-operate in whatever way it wanted with the EU. Again it seems unlikely the rest of the EU would wish to exclude Britain. And Britain would not cede authority to any EU competency or ‘co-ordinating authority’ that may be proposed in the new constitution.

## A DEFINING MOMENT?

As part of this restructuring of its relationship, Britain would also need to address whether or not it continued to participate in the European Budget and Expenditure. It could suit Britain's national interest not to do so, since it is a massive net contributor to the EU; and it would clearly not wish to continue to subscribe on the same basis as now without participating in the decision-making process. Britain might, however, continue to contribute towards specific policies associated with the single market or other existing frameworks. However, since the largest budget item at present is the Common Agricultural Policy (CAP) – an area widely recognised as hugely wasteful and badly in need of reform – it might suit Britain's interests to use a fundamental renegotiation of its position as an opportunity to withdraw from the CAP and repatriate its powers to fund UK agriculture on a more sensible and efficient basis. So too with the Common Fisheries Policy.

So where would this leave Britain? As once again a free independent nation, still the fourth largest economy in the world, with the benefits of participating in a large European single market – but with the economic freedom to continue to develop the competitiveness of its Anglo-Saxon free market economy on its own terms. Britain would retain its own legal system and democratic institutions without loss of national sovereignty, and continue to be free to develop its own international alliances – with its own voice in the world, including its own seat at the UN.

It is not clear from this analysis why this is a future to be feared or derided. Rather it would seem that the onus needs to be on those who advocate subsuming Britain's sovereignty in Europe to argue the case why this might offer a preferable alternative – and one that is worth the risks.

## CHAPTER FOUR

### NINE QUESTIONS FOR DEBATE

THE ANALYSIS SET OUT ABOVE makes the case that there is a genuine debate to be had about Britain's future in Europe, with genuine alternatives to consider.

Over the next few months the process of the European Constitutional Convention will draw to a conclusion, and Britain will be presented with a set of proposals to adopt or reject. In considering those proposals, and indeed in the course of negotiating any alternative for the UK, a number of critical questions now need to be brought into open public debate.

1. Do the British people trust that the proposed institutions of the European State would safeguard their individual freedoms and liberties as well as the UK constitutional settlement that they would supplant? Are they ready to accept the 'duties' of European Citizenship as defined by these institutions?
2. What are the full ramifications of the changes in legal structure that would follow from adopting a common legal framework? Are those changes ones which the British public are willing to accept?
3. Will the EU as constituted act to protect British interests? Are the British people comfortable with being a minority part of a European power block that sets out to rival the US, as opposed to retaining the freedom to work in its own alliance with the US?

## A DEFINING MOMENT?

4. Could the UK continue to prosper as well under economic management and social-partner regulations driven by the traditions of the continental countries? And do the British people want to take the risk of no longer having the freedom to change the balance of its economic approach through British elections?
5. Would ratification of the new Constitution necessarily imply membership of the Euro – even if, as a nation, Britain had not at that point agreed to join?
6. Is there sufficient convergence in culture and political values across Europe, and between Britain and the Continent, to support the creation of a single, democratic government with the breadth of powers envisaged ? Or are the differences that remain large enough, and significant enough to make the attempted union within a single democracy unworkable? Is there a risk it would exacerbate rather than reduce national tensions?
7. Ultimately what exactly are the benefits that might flow to the UK from pooling its sovereignty in the EU? And are these benefits clear and large enough to justify the losses and risks?
8. If Britain chose to negotiate a status outside a core group of integrating states, are there other current and prospective members which might join it?
9. Should this decision be taken without a full public debate, including a referendum, to ensure the electorate as a whole is aware of and agreed to the consequences?

These are the arguments that need to be heard. Only those who fear they have no answers will seek to avoid them or diminish the debate. While it is not known how the negotiations will conclude, it is evident that there are legitimate questions and

## NINE QUESTIONS FOR DEBATE

concerns about whether the Treaty that emerges will be one that Britain would wish to sign. It therefore becomes increasingly urgent to explore the range of alternatives that Britain might then face, including alternative visions for Europe that might command wider international support. And the argument for a referendum appears overwhelming.

This is truly a defining moment in British History – will Britain's leaders prove themselves up to the challenge of being open with the people about the true consequences of what is proposed, and then seeking to carry the people with them?

## APPENDIX ONE

# THE PRELIMINARY DRAFT CONSTITUTIONAL TREATY<sup>1</sup>

(presented by the President of the European Convention,  
25 October 2002)

## PART ONE: CONSTITUTIONAL STRUCTURE

### TITLE I: DEFINITION AND OBJECTIVES OF THE UNION

#### Article 1

- Decision to establish [an entity called the European Community, European Union, United States of Europe, United Europe].
- A Union of European States which, while retaining their national identities, closely coordinate their policies at the European level, and administer certain common competences on a federal basis.
- Recognition of the diversity of the Union.
- A Union open to all European States which share the same values and commit themselves to promote them jointly.

#### Article 2

This article sets out the values of the Union: human dignity, fundamental rights, democracy, the rule of law, tolerance, respect for obligations and for international law.

#### Article 3

##### Objectives of the Union

This article establishes the general objectives, such as:

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<sup>1</sup> The full document can be found at <http://european-convention.eu.int/docs/sessplan/00369.en2.pdf>.



## THE PRELIMINARY DRAFT CONSTITUTIONAL TREATY

- protection of the common values, interests and independence of the Union
- promotion of economic and social cohesion
- strengthening of the internal market, and of economic and monetary union.
- promotion of a high level of employment and a high degree of social protection
- a high level of environmental protection
- encouragement for technological and scientific progress
- creation of an area of liberty, security and justice
- development of a common foreign and security policy, and a common defence policy, to defend and promote the Union's values in the wider world.

These objectives shall be pursued by appropriate means, depending on whether competences are allocated wholly or partly to the Union, or exercised jointly by the Member States.

### **Article 4**

Explicit recognition of the legal personality of the [European Community/Union, United States of Europe, United Europe]

## **TITLE II: UNION CITIZENSHIP AND FUNDAMENTAL RIGHTS**

### **Article 5**

This article establishes and defines Union citizenship: every citizen of a Member State is a citizen of the Union; enjoys dual citizenship, national citizenship and European citizenship; and is free to use either, as he or she chooses; with the rights and duties attaching to each.

The article sets out the rights attaching to European citizenship (movement, residence, the right to vote and to stand as a candidate in municipal elections and elections to the European Parliament, diplomatic protection in third countries, right of petition, right to write to, and obtain a reply from, the European institutions in one's own language).

## A DEFINING MOMENT?

The article establishes the principle that there shall be no discrimination between citizens of the Union on grounds of nationality.

### **Article 6**

The wording of this article will depend on the proceedings of the Working Group on the Charter.

It could be modelled on Article 6 of the Treaty on European Union.

It could:

- either refer to the Charter;
- or state the principle that the Charter is an integral part of the Constitution, with the articles of the Charter being set out in another part of the Treaty or in an annexed protocol;
- or incorporate all the articles of the Charter.

## **TITLE III: UNION COMPETENCE AND ACTIONS**

### **Article 7**

This article sets out the principles of Union action, which must be carried out in accordance with the provisions of the treaty, within the limits of the competences conferred by the treaty, and in compliance with the principles of subsidiarity and proportionality.

### **Article 8**

This article establishes the principle that any competence not conferred on the Union by the Constitution rests with the Member States.

It establishes the primacy of Union law in the exercise of the competences conferred on the Union.

It would set out the rules for effective monitoring of subsidiarity and proportionality. The role of National Parliaments in this respect would be mentioned.

It determines the rules governing the adaptability of the system (Article 308).

## THE PRELIMINARY DRAFT CONSTITUTIONAL TREATY

It sets out the obligation of loyal cooperation of Member States vis-à-vis the Union, and the principle that the acts of the Institutions are implemented by the Member States.

### **Article 9**

This article lists the categories of Union competence.

### **Article 10**

This article indicates the areas of exclusive Union competence.

### **Article 11**

This article indicates the areas of competence shared between the Union and the Member States. It establishes the principle that, as and when the Union takes action in these areas, the Member States may act only within the limits defined by the Union legislation.

### **Article 12**

This provision indicates the areas in which the Union supports or co-ordinates action by the Member States, but does not have competence to legislate.

### **Article 13**

In certain areas the Member States may define and pursue common policies, within the Union framework and according to specific rules. This article indicates these areas.

## **TITLE IV: UNION INSTITUTIONS**

### **Article 14**

This article:

- establishes that the Union has a single institutional structure;
- stipulates that this structure shall ensure the consistency and continuity of the policies and activities carried out in order to attain the Union's objectives – activities both in the areas of competence allocated wholly or partly to the Union and

## A DEFINING MOMENT?

- in those areas in which competence belongs to the Member States and is jointly exercised by them;
- lists the institutions of the Union;
  - establishes the principle whereby each institution acts within the limits of the powers conferred upon it by this treaty, in accordance with the procedures and under the conditions and for the purposes laid down in this treaty in each area;
  - enjoins the Institutions to provide and promote open, effective and unostentatious administration;
  - establishes the principle of loyal cooperation in relations between the institutions.

### **Article 15**

This article defines the European Council, its composition and its tasks.

### **Article 15 bis**

When the Convention has discussed it, this article could establish the term of office and appointment procedure for the Presidency of the European Council, its role and responsibilities.

### **Article 16**

This article establishes the composition of the European Parliament, the members of which are elected by direct universal suffrage.

It lists the powers of the European Parliament, and provides for the possibility of the European Parliament introducing a motion of censure on the activities of the Commission, and the procedure and consequences of such a motion.

### **Article 17**

This article lists the composition and the duties of the Council, and would refer to the Council's formations.

### **Article 17 bis**

This provision establishes the rule governing the appointment of the Presidency of the Council, its role, responsibilities, and term of office.

## THE PRELIMINARY DRAFT CONSTITUTIONAL TREATY

### **Article 18**

This article would contain the provisions governing the composition and duties of the Commission (including monopoly of initiative). According to the future deliberations of the Convention, it would envisage the Commission either as a small college or as a larger body, and would set out its decision-making rules.

### **Article 18 bis**

This article would establish the role and appointment procedure for the Presidency of the Commission.

### **Article 19**

This article would raise the possibility of establishing a Congress of the Peoples of Europe, determine its composition and the procedure for appointing its members, and define its powers. (It would be drafted in the light of the Convention's work.)

### **Article 20**

This article sets out the composition and powers of the Court of Justice, and the Court of First Instance, and the principal grounds for bringing action in the Court.

### **Article 21**

This provision sets out the composition and powers of the Court of Auditors, and its mandate.

### **Article 22**

This article would define the composition and tasks of the European Central Bank, as well as the composition of its Governing Council and Executive Board.

### **Article 23**

This provision should establish that the European Parliament, the Council and the Commission will be assisted by an Economic and Social Committee and a Committee of the Regions, organs acting in an advisory capacity.

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### TITLE V : IMPLEMENTATION OF UNION ACTION

#### **Article 24**

This article lists the different instruments available to the Union's institutions for the exercise of their competences.

#### **Article 25**

Clear description of the legislative procedures of the Union: procedures for the adoption of laws and framework laws, etc.

#### **Article 26**

Clear description of the procedures for the adoption of decisions, etc.

#### **Article 27**

Description of implementing procedures in respect of the instruments listed at Article 24, and how their operation is to be monitored.

#### **Article 28**

This article should define the procedures for the implementation of supporting actions (including programmes) and the arrangements for monitoring them.

#### **Article 29**

This article would set out implementing procedures in the sphere of common foreign and security policy.

#### **Article 30**

This article would set out implementing procedures in the sphere of common defence policy.

#### **Article 31**

This article would set out implementing procedures for policies on police matters and against crime.

#### **Article 32**

This provision should establish:

- the conditions for undertaking enhanced cooperation within the framework of the Treaty;

## THE PRELIMINARY DRAFT CONSTITUTIONAL TREATY

- if necessary, areas of the Treaty excluded from enhanced cooperation;
- the principle of applying the relevant provisions of the Treaty in adopting the acts necessary for implementing enhanced cooperation;
- the obligations of states participating in enhanced cooperation, and of those not so participating.

### TITLE VI : THE DEMOCRATIC LIFE OF THE UNION

#### **Article 33**

This article establishes the principle that all Union citizens are equal vis-à-vis its institutions.

#### **Article 34**

This article sets out the principle of participatory democracy. The Institutions are to ensure a high level of openness, permitting citizens' organisations of all kinds to play a full part in the Union's affairs.

#### **Article 35**

This provision would refer to a protocol containing provisions for elections to the European Parliament by a uniform procedure in all Member States.

#### **Article 36**

This provision establishes the rule that the legislative debates of the European Parliament and of the Council in its legislative form shall be public.

#### **Article 37**

This provision would establish the voting rules of the Union's institutions, including the definition of qualified majorities, and the implementation of the possibility of "constructive abstention" and its consequences.

## A DEFINING MOMENT?

### TITLE VII: THE FINANCES OF THE UNION

#### Article 38

This provision states that the Union budget is fully financed by own resources and sets out the procedure for establishing the system of own resources.

#### Article 39

This provision should contain the principle that the budget should be in balance, as well as provisions concerning budgetary discipline.

#### Article 40

This article should:

- specify that all Union revenue and expenditure should be the subject of forecasts for each financial year and should be entered in the budget;
- describe the procedure for adopting the budget.

### TITLE VIII: UNION ACTION IN THE WORLD

#### Article 41

This provision should set out who represents the Union in international relations, taking account of competences already exercised by the Community.

In the light of the Convention's future work, it would define the role and future rank of the High Representative for Common Foreign and Security Policy.

### TITLE IX: THE UNION AND ITS IMMEDIATE ENVIRONMENT

#### Article 42

This article could contain provisions defining a privileged relationship between the Union and its neighbouring States, in the event of a decision on the creation of such a relationship.



# THE PRELIMINARY DRAFT CONSTITUTIONAL TREATY

## TITLE X: UNION MEMBERSHIP

### **Article 43**

This article establishes the principle that the Union is open to all European States which share its values and wish to pursue them jointly, which strictly respect fundamental rights, and which accept the Union's rules of operation.

### **Article 44**

This article establishes the procedure for accession of new member states to the European Union.

### **Article 45**

This article establishes the procedure for suspension of Union membership rights if a Member State violates the principles and values of the Union.

### **Article 46**

This article would mention the possibility of establishing a procedure for voluntary withdrawal from the Union by decision of a Member State, and the institutional consequences of such withdrawal.

## APPENDIX TWO

# DRAFT TEXT OF THE ARTICLES OF THE TREATY ESTABLISHING A CONSTITUTION FOR EUROPE<sup>2</sup>

6 February 2003

### **TITLE I: Definition and objectives of the Union**

#### **Article 1: Establishment of the Union**

1. Reflecting the will of the peoples and the States of Europe to build a common future, this Constitution establishes a Union [entitled ...], within which the policies of the Member States shall be co-ordinated, and which shall administer certain common competences on a federal basis.
2. The Union shall respect the national identities of its Member States.
3. The Union shall be open to all European States whose peoples share the same values, respect them and are committed to promoting them together.

#### **Article 2: The Union's values**

The Union is founded on the values of respect for human dignity, liberty, democracy, the rule of law and respect for human rights, values which are common to the Member States. Its aim is a society at peace, through the practice of tolerance, justice and solidarity.

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<sup>2</sup> The full document can be found at:  
<http://european-convention.eu.int/docs/Treaty/cv00528.en03.pdf>

## **DRAFT OF ARTICLES 1 TO 16 OF THE CONSTITUTIONAL TREATY**

### **Article 3: The Union's objectives**

1. The Union's aim is to promote peace, its values and the well-being of its peoples.
2. The Union shall work for a Europe of sustainable development based on balanced economic growth and social justice, with a free single market, and economic and monetary union, aiming at full employment and generating high levels of competitiveness and living standards. It shall promote economic and social cohesion, equality between women and men, and environmental and social protection, and shall develop scientific and technological advance including the discovery of space. It shall encourage solidarity between generations and between States, and equal opportunities for all.
3. The Union shall constitute an area of freedom, security and justice, in which its shared values are developed and the richness of its cultural diversity is respected.
4. In defending Europe's independence and interests, the Union shall seek to advance its values in the wider world. It shall contribute to the sustainable development of the earth, solidarity and mutual respect among peoples, eradication of poverty and protection of children's rights, strict observance of internationally accepted legal commitments, and peace between States.
5. These objectives shall be pursued by appropriate means, depending on the extent to which the relevant competences are attributed to the Union by this Constitution.

### **Article 4: Legal personality**

The Union shall have legal personality.

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### **TITLE II: Fundamental rights and citizenship of the Union**

#### **Article 5: Fundamental rights**

1. The Charter of Fundamental Rights shall be an integral part of the Constitution. The Charter is set out [in the second part of/in a Protocol annexed to] this Constitution.<sup>3</sup>
2. The Union may accede to the European Convention for the Protection of Human Rights and Fundamental Freedoms. Accession to that Convention shall not affect the Union's competences as defined by this Constitution.
3. Fundamental rights, as guaranteed by the European Convention for the Protection of Human Rights and Fundamental Freedoms, and as they result from the constitutional traditions common to the Member States, shall constitute general principles of the Union's law.

#### **Article 6: Non-discrimination on grounds of nationality**

In the field of application of this Constitution and without prejudice to any of its specific provisions, any discrimination on grounds of nationality shall be prohibited.

#### **Article 7: Citizenship of the Union**

1. Every national of a Member State shall be a citizen of the Union. Citizenship of the Union shall be additional to national citizenship; it shall not replace it. All citizens of the Union, women and men, shall be equal before the law.
2. Citizens of the Union shall enjoy the rights and be subject to the duties provided for in this Constitution. They shall have:
  - the right to move and reside freely within the territory of the Member States;
  - the right to vote and to stand as a candidate in elections to the European Parliament and in

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<sup>3</sup> [The full text of the Charter, with all the drafting adjustments given in Working Group II's final report (CONV 354/02) will be set out either in a second part of the Constitution or in a Protocol annexed thereto, as the Convention decides.]

## **DRAFT OF ARTICLES 1 TO 16 OF THE CONSTITUTIONAL TREATY**

- municipal elections in their Member State of residence under the same conditions as nationals of that State;
- the right to enjoy, in the territory of a third country in which the Member State of which they are a national is not represented, the protection of the diplomatic and consular authorities of any Member State on the same conditions as the nationals of that State;
  - the right to petition the European Parliament, to apply to the Ombudsman, and to write to the institutions and advisory bodies of the Union in any of the Union’s languages and to obtain a reply in the same language.
3. These rights shall be exercised in accordance with the conditions and limits defined by this Constitution and by the measures adopted to give it effect.

### **TITLE III: The Union’s competences**

#### **Article 8: Fundamental principles**

1. The limits and use of Union competences are governed by the principles of conferral, subsidiarity, proportionality and loyal cooperation.
2. In accordance with the principle of conferral, the Union shall act within the limits of the competences conferred upon it by the Constitution to attain the objectives the Constitution sets out. Competences not conferred upon the Union by the Constitution remain with the Member States.
3. In accordance with the principle of subsidiarity, in areas which do not fall within its exclusive competence, the Union shall act only if and insofar as the objectives of the intended action cannot be sufficiently achieved by the Member States, but can rather, by reason of the scale or effects of the proposed action, be better achieved at Union level.

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4. In accordance with the principle of proportionality, the scope and form of Union action shall not exceed what is necessary to achieve the objectives of the Constitution.
5. In accordance with the principle of loyal cooperation, the Union and the Member States shall, in full mutual respect, assist each other to carry out tasks which flow from the Constitution.

### **Article 9: Application of fundamental principles**

1. The Constitution, and law adopted by the Union Institutions in exercising competences conferred on it by the Constitution, shall have primacy over the law of the Member States.
2. In exercising the Union's non-exclusive competences, the Institutions shall apply the principle of subsidiarity as laid down in the Protocol on the application of the principles of subsidiarity and proportionality annexed to the Constitution. The procedure set out in the Protocol shall enable national parliaments to ensure compliance with the principle of subsidiarity.<sup>4</sup>
3. In exercising the Union's competences, the Institutions shall apply the principle of proportionality as laid down in the same Protocol.
4. Member States shall take all appropriate measures, general or particular, to ensure fulfilment of the obligations flowing from the Constitution or resulting from actions taken by the Union Institutions.
5. In accordance with the principle of loyal cooperation, Member States shall facilitate the achievement of the Union's tasks and refrain from any measure which could jeopardise the attainment of the objectives set out in the Constitution. The Union shall act loyally towards the Member States.

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<sup>4</sup> A new version of the Protocol will be circulated shortly.

## **DRAFT OF ARTICLES 1 TO 16 OF THE CONSTITUTIONAL TREATY**

6. The Union shall respect the national identities of its Member States, inherent in their fundamental structures and essential State functions, especially their political and constitutional structure, including the organisation of public administration at national, regional and local level.

### **Article 10: Categories of competence**

1. When the Constitution confers on the Union exclusive competence in a specific area, only the Union may legislate and adopt legally binding acts, the Member States being able to do so themselves only if so empowered by the Union.
2. When the Constitution confers on the Union a competence shared with the Member States in a specific area, the Union and the Member States shall have the power to legislate and adopt legally binding acts in this area. The Member States shall exercise their competence only if and to the extent that the Union has not exercised its.
3. The Union shall have competence to co-ordinate the economic policies of the Member States.
4. The Union shall have competence to define and implement a common foreign and security policy, including the progressive framing of a common defence policy.
5. In certain areas and in the conditions laid down in the Constitution, the Union shall have competence to carry out actions to co-ordinate, supplement or support the actions of the Member States, without thereby superseding their competence in these areas.
5. The Union shall exercise its competences to implement the policies defined in Part Two of the Constitution in accordance with the provisions specific to each area which are there set out.

### **Article 11: Exclusive competences**

1. The Union shall have exclusive competence to ensure the free movement of persons, goods, services and capital, and

## A DEFINING MOMENT?

establish competition rules, within the internal market, and in the following areas:

- customs union,
  - common commercial policy,
  - monetary policy for the Member States who have adopted the euro,
  - the conservation of marine biological resources under the common fisheries policy.
2. The Union shall have exclusive competence for the conclusion of an international agreement when its conclusion is provided for in a legislative act of the Union, is necessary to enable the Union to exercise its competence internally, or affects an internal Union act.

### **Article 12: Shared competences**

1. The Union shall share competence with the Member States where the Constitution confers on it a competence which does not relate to the areas referred to in Articles 11 and 15.
2. The scope of shared competences is determined by the provisions of Part Two.
3. Where the Union has not exercised or ceases to exercise its competence in an area of shared competence, the Member States may exercise theirs.
4. Shared competence applies in the following principal areas:
  - internal market
  - area of freedom, security and justice
  - agriculture and fisheries
  - transport
  - trans-European networks
  - energy
  - social policy
  - economic and social cohesion
  - environment
  - public health, and
  - consumer protection.



## **DRAFT OF ARTICLES 1 TO 16 OF THE CONSTITUTIONAL TREATY**

5. In the areas of research, technological development and space, the Union shall have competence to carry out actions, in particular to implement programmes; however, the exercise of that competence may not result in Member States being prevented from exercising their competence.
6. In the areas of development cooperation and humanitarian aid, the Union shall have competence to take action and conduct a common policy; however, the exercise of that competence may not result in Member States being prevented from exercising their competence.

### **Article 13: The co-ordination of economic policies**

1. The Union shall co-ordinate the economic policies of the Member States, in particular by establishing broad guidelines for these policies.
2. The Member States shall conduct their economic policies, taking account of the common interest, so as to contribute to the achievement of the objectives of the Union.
3. Specific provisions shall apply to those Member States which have adopted the euro.

### **Article 14: The common foreign and security policy**

1. Member States shall actively and unreservedly support the Union's common foreign and security policy in a spirit of loyalty and mutual solidarity. They shall refrain from action contrary to the Union's interests or likely to undermine its effectiveness.

### **Article 15: Areas for supporting action**

1. The Union may take co-ordinating, complementary or supporting action. The scope of this competence is determined by the provisions of Part Two.
2. The areas for supporting action are:
  - employment
  - industry
  - education, vocational training and youth

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- culture
  - sport
  - protection against disasters.
3. The Member States shall co-ordinate their national employment policies within the Union.
  4. Legally binding acts adopted by the Union on the basis of the provisions specific to these areas in Part Two cannot entail harmonisation of Member States' laws or regulations.

### **Article 16: Flexibility clause**

1. If action by the Union should prove necessary within the framework of the policies defined in Part Two to attain one of the objectives set by this Constitution, and the Constitution has not provided the necessary powers, the Council, acting unanimously on a proposal from the Commission and after obtaining the assent of the European Parliament, shall take the appropriate measures.
2. Using the procedure for monitoring the subsidiarity principle referred to in Article 9, the Commission shall draw Member States' national parliaments' attention to proposals based on this Article.
3. Provisions adopted on the basis of this Article may not entail harmonisation of Member States' laws or regulations in cases where the Constitution excludes such harmonisation.

## APPENDIX THREE

**The following pages contain the text of the speech given by the Prime Minister at Cardiff on 28 November 2002**

### **A CLEAR COURSE FOR EUROPE**

#### **The challenge**

Europe is set for dramatic change.

Together, the expansion of NATO, settled last week in Prague, and the enlargement of the European Union, to which next month's European Council at Copenhagen will give the green light, amount to no less than the creation of a new Europe. Stretching from Lapland in the north to Malta in the south, from the coast of County Kerry in the West to the Black Sea, and ultimately – yes – to Turkey's borders in the East, it will contain over 500 million people, a political and economic entity bigger than the USA and Japan put together. This achievement is truly historic – the more so because it is coming about peacefully and democratically. The New Europe is being created by free will – not conquest; spreading equality and justice – not domination and exploitation. We will see few more significant events in our lifetimes.

It was Winston Churchill who famously warned that the Iron Curtain was descending across Europe. He died without seeing the fully liberated Europe for which he had fought, nor the new unity in Europe for which he called in that famous speech in Fulton, Missouri. Partly because we failed to achieve the full victory for liberation and democracy for which we had hoped in the Second World War – and because of the part we played during the dark years of the Cold War – Britain has always held a special interest in completing Churchill's unfinished business. Europe's half century of artificial division is now almost over. As we remove the final traces of the Iron Curtain, we can take pride in the part Britain has played to

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secure this goal, as part of both NATO and the EU. It was NATO that won the Cold War, but it is the EU that will deliver the dividends of this victory for generations to come.

It has been a long and painful wait, especially for the countries of Central and Eastern Europe, but the EU's enlargement will soon benefit all of Europe, new members and present ones. A recent study estimated that it could increase GDP in Britain by £1.75 billion a year. We will also be safer and more secure through better co-operation on border controls, asylum and immigration, joint efforts to tackle cross-border crime, and shared environmental standards. Enlargement will extend Europe's area of peace, democracy and prosperity. But it also means reforms to the way Europe works – reforms which have been put off for many years – are now urgent.

That is the task of the Convention on the Future of Europe, led by former French President Valéry Giscard D'Estaing. As Europe enters this new era, 50 years after its foundation, it is right that we should review the fundamental issues of its governance. The Convention is preparing the ground for an Intergovernmental Conference to settle these issues methodically, inclusively and transparently.

The Convention's starting point is one of confidence. Whatever the day-to-day frustrations, on any big picture assessment Europe is a success. The achievements of the European project over the last 50 years are impressive. It has made a huge contribution to peace and stability in our region. It has helped to boost trade, jobs and growth in Britain and other member states. The way that EU membership has transformed Ireland, Spain, Portugal and Greece into prosperous economies in 20 years should be a tremendous encouragement to the Central and Eastern Europeans.

It is vital for Britain. 60% of our trade is with the EU; 3 million British jobs depend on it. EU membership gives it access to the single market, with 380 million consumers even before enlargement. It gives it more leverage to tackle the many challenges it share with our neighbours.

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But Europe has to change.

Fifty years from the start of the European project, the world has changed almost beyond recognition. Today, our preoccupations are not about preventing war in Europe or ensuring adequate food production. That fact itself says something about what the European project has achieved. But we face new threats and challenges: security, environmental, and economic. And the European project itself faces problems: apathy, disconnection from its citizens, lack of understanding of how it works.

Today's challenge for Europe goes to the heart of the very institutions which make up the European Union. These institutions, based on the carefully balanced triangle of Council, Commission and Parliament, underpinned by the Court of Justice, have brought Europe this far. They represent a quantum leap in democratic governance on an international scale – the pooling of sovereignty in order to extend the reach of democratic action.

But these institutions were designed for a Community of six, dealing with a handful of common policies. It has been clear for some time that they are struggling to manage today's Union of 15, with responsibilities which have greatly expanded since the 1950s. In their current form, they are not up to the job of serving tomorrow's Europe of 25 or more. Nor do they measure up to tomorrow's expanding tasks.

Europe's leadership is too weak. The musical chairs of the Council Presidency produces inefficiency and inconsistency. The enforcement of European law is too haphazard.

Europe's role in the world is too weak. We have made a start on building a common voice for Europe. But progress has been too slow and we have a long way to go. And the pace of change on key reforms – from economic modernisation to a more responsible system of agricultural support – is too slow.

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### **The opportunity**

For Britain, there is a simple choice to be made. Are we full partners in Europe, at the centre of its decision-making, influencing and shaping its direction; or are we at the back of the file, following warily a path beaten by others?

For 50 years that has been our choice. For 50 years, we have chosen to follow, first in joining; then in each new departure Europe has made.

For each British Prime Minister there is this dilemma: if we are anxious about Europe's direction, is it best to hang back until the direction is clear; or is it best to participate fully in the hope of making the direction more our own.

Usually we have chosen the former course.

But the problem with hanging back, however, is that in the end, Europe does move on and the choice is then to remain a straggler, drop out altogether or to catch up. And, because Europe is of such strategic importance to Britain, we usually choose to catch up. In other words, hanging back rarely results in us not participating finally, it just delays it so that the participation is on terms set by others. And often this has meant less favourable terms.

And with each new direction taken, Britain has tended to say: this far and no further. Then on the next development, we say the same. And so on.

What is the source of our anxiety? It is partly because we weren't there at the beginning. We have never felt it's our club. It's partly a chronic lack of self-confidence we suffer from sometimes as a nation, failing to believe in ourselves properly, so we think we will lose arguments in Europe, when actually when we put our minds to it, we usually win. We should have more self-confidence because we are a leading European power, always have been and always will be.

But it's also a genuine fear.

We want a Europe of sovereign nations, countries proud of their own distinctive identity, but co-operating together for mutual good. We fear that the driving ideology behind European

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integration is a move to a European superstate, in which power is sucked into an unaccountable centre. And what is more a centre of fudge and muddle, bureaucratic meddling, which in economic terms could impede efficiency and in security terms may move us away from the transatlantic alliance.

So for all these reasons, our attitudes have, historically, been characterised by uncertainty; and that has bred in our psyche a feeling that Europe is something done to us by others, not something we do with others.

Now we have an historic opportunity to put our relations with the rest of Europe on a more serious footing and choose not to hang back but to participate fully and wholeheartedly. Europe itself is about to undergo profound change. It will expand to 25 members, then later probably to 30. Europe's rules are having to be re-written. At the same time, crucial debates on European defence and the European economy are underway. All these developments will have a vast impact on Britain. Shaping their outcome is vital to our national interest. Now is a moment in time when isolation from decision-making is not just pointless but immensely damaging. There are debates here that have to be won.

So what should the British position be?

First, we must end the nonsense of "this far and no further". There are areas in which Europe should and will integrate more: in fighting crime and illegal immigration; to secure economic reform; in having a more effective defence and security policy. Britain should not be at the back of the file on such issues but at the front. On the Euro we should of course join if the economic conditions are right. A single currency with a single market for Europe makes economic sense.

Second, we should understand that our opposition to Europe as some federal superstate is not a British obsession. It is in fact the reasonably settled view of most members of the EU and, more importantly, of their people. Our electorates feel a close connection to their own national Governments; they do not feel the same towards European institutions.

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Thirdly, however, the answer to the second point is not to reach for intergovernmentalism as a weapon against European institutions – again, if not a traditional British position, certainly perceived as such – but to recognise that Europe is and should remain an alliance of European and national governments. The very purpose of having a Council is to recognise that ultimately Europe represents the will of sovereign states. The key purpose of having a Commission with its own powers of initiative and a Parliament and Court organised on a European basis, is that we also recognise that we need supranational European institutions for Europe to work, ie for that sovereign will to be implemented effectively. The two are not in opposition to each other. It is the two together which are necessary for the unique union of nations that is Europe to function.

Take the issue of economic reform which Britain cares passionately about. Without Qualified Majority Voting and without a strong Commission, able to act independently, this programme of reform, so obviously crucial in these new economic times, will never materialise. It would be strangled by vested interests opposed to change. So a weak Commission is contrary to our own interests.

So what is the conclusion from these principles of approach? That the objective for Britain, from the Convention, should be a Europe that is strong, effective and democratic. That this requires a strengthening of Europe at every level: Council, Commission, Parliament and Court. And that the test we should apply to each issue is not whether it tilts the balance towards national Governments or European government. But rather in each case: does it strengthen Europe; does it make it more effective; does it make it more democratic?

The basic ideology should be described in this way. Europe is the voluntary coming together of sovereign nations. Their will is to combine together in the institutions of Europe in order to further their common interests. In so far as it is necessary to achieve these interests, they therefore pool their sovereignty in



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Europe. There is no arbitrary or fixed limit as to what they do collectively; but whether they do it depends on their decision as a group of nations. So whilst the origin of European power is the will of sovereign nations, European power nonetheless exists and has its own authority and capability to act.

I think it is important to spell this out. Curiously, when there was not much Europe the ideology mattered less or could drift into the visionary waters of a European superstate, without much worry. Now there is a lot of Europe and will be more, it is all the more necessary to anchor it properly and clearly where it belongs: with the nations of Europe. The price of greater and necessary integration is greater clarity of its fundamental basis and derivation.

It is easy to see how the early visionaries of Europe became so convinced of the limitations of purely intergovernmental structures. The ancient rivalries between Europe's powers had again brought us to devastation, and in the desperate circumstances of post war Europe, could all too easily have held Europe back from recovery.

But the European Community did not evolve as these early federalists expected, into a United States of Europe. Instead, its unique institutional relationship has been maintained to this day. Europe's nation states did not wither. On the contrary, aided to some extent by the fruits of European integration, they revived in a way which few might have predicted in the post-war gloom. Today the loyalty and affection of citizens for Europe's old countries is undiminished.

So the proposals I put forward today will aim to strengthen each part of the European structure. One further preliminary point. A lot of the debate on the Convention misses one obvious thing. A Europe of 25 is a different order of magnitude to a Europe of 15. People worry that the Council and Commission may end up in opposition to each other. That should not be the worry. The real worry is that both are going to face far greater strain on their efficacy because of the sheer number of members. There are distinct and vital roles for both and both need strengthening, for

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either to function well. In fact, we must start seeing this relationship between Council and Commission less as a balance or compromise and more as a partnership where each recognise their distinctive but mutually reinforcing roles.

So what does this mean in practical terms for the outcome of the Convention?

### **The way forward**

First, we do need a proper Constitution for Europe, one which makes it clear that the driving ideology is indeed a union of nations not a superstate subsuming national sovereignty and national identity. This should be spelt out in simple language. A new Constitution for Europe can bring a new stability to the shape of Europe – not a finality which would prevent any future evolution, but a settlement to last a generation or more.

Second, the Convention is proposing a radical strengthening of the subsidiarity principle. Whereas at present the Commission and Council are in practice judge and jury of whether new legislative proposals pass the subsidiarity test, the Convention wants to give national parliaments new early warning rights, when the Commission first puts forward a proposal. If a sufficient number of national Parliaments object, the Commission's proposal would need to be revised. I welcome this as a practical response to the call I made two years ago in Warsaw for better involvement by national parliaments in European decision-making.

On the Charter of Rights, I repeat our clear view that though we welcome, of course a declaration of basic rights common to all European citizens and have ourselves incorporated the European Convention on Human Rights directly into British law, we cannot support a form of treaty incorporation that would enlarge EU competence over national legislation. There cannot be new legal rights given by such a means, especially in areas such as industrial law where we have long and difficult memories of the battles fought to get British law in proper order.

Third, we need a stronger and more effective Council.

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The purpose of the Council is now, thanks to changes agreed at Seville, explicitly recognised as setting the agenda for Europe. This is the sensible task for the governing body of Europe.

But to do so with a Europe of 25 is impossible without change.

As I have said before, I believe there has to be a fixed Chair of the European Council. Like its counterparts the Commission and Parliament, the Council should have a stable chairmanship, enabling it to play its role more effectively in a stable partnership between the institutions.

The six-monthly rotating Presidency was devised for a Common Market of 6: it is not efficient nor representative for a Union of 25 and more. How can a Council with constantly shifting leadership be a good partner for the Commission and Parliament? How can Europe be taken seriously at international Summits if the Chair of the Council is here today, gone tomorrow? The old system has reached its limits. It creates for Europe a weakness of continuity in leadership: a fatal handicap in the development of an effective Common Foreign and Security Policy.

What's worse, each Presidency sees itself as setting its own distinctive agenda for the Union. The Lisbon Summit agreed a ten-year programme of economic and social reform for the Union. But it has not been easy to ensure proper attention to the co-ordinated follow up of that agenda across a wide range of sectoral Councils, each with their own hobby horses and vested interests. This is an example of where the rotating Presidency makes life more difficult for the Commission – and more seriously, where institutional weakness has led to higher unemployment than Europe need have suffered.

Most member states recognise this. But they worry that a fixed President would lead to the large nations dominating; or that the Commission would be downgraded. We must allay these concerns.

We could move to some form of “team Presidency” which allows the chairs of the principal Councils to be divided amongst Member States for a decent length of time, with the more permanent Chair of the European Council to co-ordinate that team. We should

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choose the team Presidency on a formula that I hope can combine fair rotation with the possibility of allowing Councils to elect candidates of outstanding merit. Within any team at any one time there will obviously be a majority of small countries because there are 19 small countries and 6 big ones in the Europe of 25.

The Council needs to be strengthened in other ways. Back home in Member States, the public should be better able to understand the Brussels processes. National Ministers' decisions should be visible. So Councils should vote on, and declare national positions on, legislation in the open. And we need fewer Councils. We have made progress towards cutting back the confusing multiplication of Councils from almost twenty to ten, but we should go further to make the Council simpler and easier to follow; and we will examine carefully all the interesting proposals put forward in this area by Giuliano Amato and others.

An enlarged Europe will need more qualified majority voting so that progress in a Europe of 25 or more is not constantly blocked by veto, and to provide a set of rules that are understandable to ordinary members of the public. All Member States in practice have their red lines on QMV, some of which must remain – for Britain on national control of taxes for example. But inevitably there will be more QMV and we welcome that.

Fourth, we should strengthen the Commission to enable it better to carry out Europe's agenda.

It is easy to knock the Commission. By definition, because it is based in Brussels, it is a remote bureaucracy – but smaller in size than many single Whitehall Departments. It takes unpopular decisions – because it is responsible for keeping Member States to the commitments they have agreed. This role as enforcer is unenviable, but essential. Governments rarely give it credit for its achievements, but are always quick to criticise its shortcomings. And it has at times in the past not managed its internal affairs well.

But we should stand up for the Commission. It plays an essential role. Along with the Court of Justice, it is the best guarantee of equality in the Union, ensuring that small countries

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or new Member States are not treated as second class members. And on enlargement, economic modernisation and CAP reform, the Commission has been a strong progressive force.

Its role is two-fold: the initiation of detailed proposals within the strategic priorities set by the European Council and the implementation of political decisions. I want to see both those roles strengthened. I do believe it is time to communitise much of the Justice and Home Affairs Pillar. This will not, of course, affect the agreement Britain secured at Amsterdam in 1997 on our border controls. But it will mean integrated and effective action on issues to do with organised crime, drug dealing, asylum and immigration that affect all of Europe, cause huge distress and difficulty and cannot seriously be tackled by nations alone.

The Commission is rightly responsible for ensuring that there is a level playing field across the Member States; and that the detailed legal rules can be changed rapidly where that is sensible: for example through the Lamfalussy procedures to keep our financial services industry competitive in the new global market. We should improve the way the Commission consults on future framework legislation. In addition I favour strengthening the Commission's authority in making sure Europe's rules are obeyed and redress is available quickly in circumstances of a breach of the law.

Fifth, on foreign policy and defence, Europe must be able to speak more effectively, co-ordinate more effectively and act more effectively. This is not only a matter of institutional structure. It is also a matter of will and capability. In Kosovo, though it was a crisis on the doorstep of the EU, 85% of the military assets were American. True, we are now making the peace work; but the blunt fact is that without US participation, the rescue of Kosovo would never have happened. In the Middle East Javier Solana has made a big impact in enlarging our role, but it still does not match the vast amount of money we contribute.

Let me deal with one issue head-on. When it comes to the aftermath of September 11 or Iraq and WMD, the collective European voice is at times hesitant.

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In reality Europe knows the importance of the transatlantic alliance. As the NATO Summit showed it remains the bedrock of our security. Even if the existing members of the EU were ambivalent about it – which they're not – the new accession countries are utterly firm. They want the alliance to remain. Period.

To achieve a unified European foreign policy, we need to decide what we are unifying around. In matters of defence and security, they are so fundamental to a nation's sense of itself, there is no institutional fix that can overcome a genuine difference of view.

The essence of unity, in my view, is to regard Europe as it grows in power, as a partner with the United States; not either its servant or its rival. In a sense the United Nations Security Council process over Iraq, involving France and Britain in different ways, showed how that partnership can work. And, as it did in that instance, it requires the United States to take into account of Europe as well as Europe to take account of the United States.

But the orientation of Europe toward the United States is absolutely at the core of whether Europe can become effective in foreign and security policy. We need to be clear about where we stand. I know some European colleagues think I am being unnecessarily difficult over European defence and its relations with NATO. But believe me, unless it is clear from the outset it is complementary to NATO, working with it, adding to our defence capabilities, not substituting Europe for NATO, then it will never work or fulfil its potential.

As for the institutional arrangements, the appointment of Javier Solana as High Representative has been a great success, thanks to him and Chris Patten. The EU has got its act much more together in the Balkans.

I favour the strengthening of European foreign policy, step by step, from the Balkans, to Europe's "near abroad" and then beyond. In this area, however, the lead responsibility should remain with the Council of Foreign Ministers. Britain cannot agree to the communitisation of defence or foreign policy. It is not practical or right in principle. Foreign policy can only be built by

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gathering a consensus among the Member States who possess the resources necessary to conduct it – the diplomatic skills, the bulk of aid budgets, and of course the armed forces.

The powers of the High Representative should, however, be strengthened. He or she should chair the Foreign Ministers' Council, have an independent right of initiative, have control over a bigger budget, be able to strengthen his resources by seconding national diplomats to the Secretariat staff and be represented overseas in common European, not just Commission overseas delegations.

There is an overlap between the work of the High Representative and the External Relations Commissioner. Some have proposed that in future this role should be occupied by a single person wearing a double hat. As Javier Solana has said, this would raise practical problems that we need to debate. My point is simply this. Double hatting cannot be a way, through the back door, of communitising the CFSP. The High Representative's accountability to the Member States, and their responsibility for foreign policy, must remain clear cut.

I am ambitious for European defence. I do not want to limit Europe's security ambitions to low level peacekeeping. We need to resolve the outstanding issues on ESDP; and we are woefully short of the necessary defence capabilities – and it is that widening gap in capabilities that is the central issue Europe must address.

Again we need more Europe, not less. We need new decision making methods to get better value for money out of European defence budgets: strong peer review mechanisms; a European Defence Capability Development Agency, responsible to and run by the Member States, charged with identifying how capability gaps need to be filled and taking forward procurement projects to fill them; and further moves towards more open defence procurement to save on costly national protectionism.

Sixth, alongside a stronger Commission and a stronger Council, I believe we need a strong European Parliament which concentrates on what it does best – improving legislation. See for

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example the positive role it has played on the Prospectus Directive. I am open to the idea of improving the way the EU's budget is set through more effective decision making between Council and Parliament. It does not make sense to spend over 40% of our budget on agriculture, and it is right that the European Parliament's voice should be heard in all annual decisions on the EU spending.

In the debate about the accountability of the Commission to the European Parliament, I favour more effective scrutiny and the fullest democratic transparency.

But we must avoid at all costs turning the election of its President into a partisan wrangle, or allowing the Commission to become a prisoner of the Parliamentary majority.

We cannot simply see the Commission as an executive accountable to the Parliament. The Commission also has a crucial partnership with the Council which we must not weaken, and a vital independence which we must protect.

In this instance, therefore, we should not sanction any dramatic departures from the Community model as we know it. The Commission derives its legitimacy and authority from its independence. I am not arguing for an apolitical Commission: I am arguing for an impartial Commission, an independent Commission which draws its authority with Member States from this impartiality.

Seventh, we need a stronger Court of Justice.

I agree with the strengthening proposed by a distinguished group of British Conservatives in their recent well-argued proposals.

Along with the Commission, the Court of Justice is essential to the integrity of the Single Market and to the effectiveness of common action in an enlarged Union.

The EU's legal system has evolved and improved in recent years. We introduced the possibility of fines for failure to implement EU law with the Amsterdam Treaty in 1998, and the Court has already shown willingness to use this sanction. And the



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quality of application of EU law has improved constantly with the help of scoreboards to “name and shame” and vigilant monitoring by the Commission.

But we must go further. No country – including Britain – is blameless, but all must be put under stronger pressure to live up to their obligations swiftly. We should now examine ways to speed up its decisions – better fast tracking for priority cases for example. And we should look again at the effectiveness of the fines system. If the European Court were given the power to set a deadline for implementation then, if that deadline were not met, fines could follow immediately.

### **Conclusion**

The aim should be a Europe that is strong: economically, through the single market and currency and economic reform; socially, through enhanced rights for its citizens and better security; politically, through being able to speak as one, backed by the defence capabilities that command respect.

It should be effective: through an independent Commission; a well-run Council; a Parliament better able to scrutinise; and a Court better able to enforce the law.

It should be democratic; greater integration, rooted in the freely given decisions of the nations that make up Europe; with greater openness and transparency of decision-making; greater participation and interaction of National Parliaments; greater connection between the European Parliament and the decisions of Europe; and with the independence of the Commission guaranteeing that the interests of smaller nations do not weigh any less than the large.

This is a one-off opportunity for reform: to set Europe on a clear course for the future, a Europe that as I have said before can be a superpower, if not a superstate. It is a future in which I want Britain to play its full and complete part.

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