

House of Lords Debate on European Union: Recent Developments

17 December 2012

4.35 pm

Moved By

[Baroness Warsi](#)

That this House takes note of recent developments in the European Union.

8 pm

[Lord Owen:](#)

Twenty years ago this December, the late Cyrus Vance and I were deep in the mire and tragedy of the Balkans. Therefore it is with great pleasure that I welcome Croatia into the European Union—we hope this summer. I strongly support the legislation that makes this possible. About the only positive thing one could say then was that eventually it would be settled through the aspiration to membership of the European Community, as it then was. I also hope and pray that it will not be beyond a decade before we see Bosnia-Herzegovina, Serbia, Macedonia—or FYROM—Montenegro, Kosovo and possibly Albania all coming in together. Personally, I think it would be much better if we now saw that as a concept, because each country can hugely help each other over this difficult transition, which if we are honest is not going too well in many of those countries. I do not need to say much about the vision of how one can restructure Europe. I totally agree with two speeches in particular—first, that of the noble Lord, Lord Howell, and then that of the former Commissioner, the noble Lord, Lord Tugendhat. I am certainly against this “shopping list” and the use of “repatriation” as a word. I am also against the belief that we can dictate. Our passage through this difficult transition will be done only if we have a positive message, if we look for solutions that suit not only us but other countries, and if we negotiate. I very much hope that the coalition, right from its very top, stops telling us what it is going to do when the next election comes and just gets on with telling us what compromises have now been reached inside the coalition. I do not look forward to the long-championed speech by the Prime Minister. Of course, he has to keep his party together and make a commitment to a referendum at some later date, as he has done. However, what is essential at the moment is to look at

the negotiating strategy of the British Government and people and not just from the Conservative, Liberal Democrat or Labour Party view.

The fact is, we would never have been in the European Union, the European Community or even in the Common Market had it not been that this was wisely and widely judged as a broad-based issue of British interest and we came together. Grievous mistakes have been made. The whole eurozone was a palpably and fatally flawed combination, and for far too long those of us who said so in this country were despised and not given platforms. Equally, it has to be said, so was the ever-greater integration that went on unchallenged and often championed by Britain for nearly 10 to 15 years. That, too, was a mistake and we have to learn from those mistakes. I agree that we are not in a strong negotiating position. It is weak and the noble Lord, Lord Kerr—famous for being a Cassandra on these issues—was right to say what he did. He warned that strong forces are working towards a financial market union. My argument to him is that this is simply unacceptable and we have to make it unacceptable in a positive way.

The way ahead seems pretty clear. The European Union is a constant negotiation, hour by hour, day by day, week by week, month by month. It is not often realised in Europe what a good negotiating position Britain is in. Many people decry the Bill on referendums introduced by the coalition Government. I believed it was a sensible Bill and it has already shown itself to be one. The country can agree within the treaties to substantial integration for the eurozone if that is what these countries want. This does not challenge us in the terms of that legislation. There is no requirement for a referendum. Under the clause which talks about whether or not a power goes from this House of Parliament to the Commission, there has to be a referendum, but a power purely going to other eurozone countries does not require a referendum. This is not understood in Europe and it gives us a powerful hand. It is why it was such a tragedy that the Prime Minister embarked on his course of isolation this time last year. Thankfully, that course has been abandoned. The way that the leader of the Opposition spoke to the CBI about how many of these issues can be negotiated is also a positive feature.

However, the idea of waiting until 2015 is quite ludicrous. It is perfectly obvious that once the German election is over, whoever wins—and there is not much difference between the parties—the German people will say to the poorer and weaker eurozone countries, "We will fund you through possibly four or five years of great difficulty". It will be an extremely generous decision, almost a Marshall Plan-like concept, but they will not do it or be given a mandate to do it, unless the countries given financial help are ready to adopt what many people will call and see as German financial disciplines. That is their quid pro quo. If they do it, the Government are right to encourage that process and we must let it be done by amending the treaties

and without referendums. This reform will come in dribs and drabs, but at that moment we must say to them that we have demands and one is to say, "At all costs we intend to stay in the single market and we need your help to do so". That is essential.

I simply do not accept that a community that started with six members, went through being the Common Market, the European Community and the European Union and made the mistakes that it has in the eurozone is now entitled to say to the British, "You have to be out of the single market because we wish to dictate it in a eurozone direction". I do not think it will. There are strong legitimate reasons why we cannot join that degree of eurozone political integration, which was never envisaged during the 1975 referendum in this country. In fact, it was specifically excluded by both of the key campaigners in the yes vote, the late Lord Jenkins and the late Edward Heath. We need to get our democratic responsibilities in line. I think we will end up with a referendum. I hope and pray that it is not a straight in/out referendum on the existing EU, because I think the people of this country will vote to go out. Therefore, I want it to be a much more restructured Europe when that referendum takes place and I am confident that we can restructure it in ways which are sensible for all the members of the European Union.

One of the things which I wish to see in future is us taking positive measures, for example, taking Turkey into the European Union. We have left this issue alone for far too long, but it is now a possibility. Turkey does not want to join the eurozone. There could be a European Union that has two segments—eurozone and full integration, and single market and full co-operation. I do not ask for it to be diluted, but for qualified majority voting and a single negotiator, the essence of the success of the single market. That can be achieved for all of Europe and one that includes Turkey.