

# **Speech to CHATHAM HOUSE**

**20 October 2015**

## **Introduction**

The forthcoming referendum to decide if the United Kingdom remains in the European Union or leaves is the most profound political decision of my lifetime – apart from the last referendum forty years ago.

Then, I was a twenty-five-year-old postman, raising three children on a council estate. I was aware of the weight of arguments for and against Europe because I had to carry them on my back as I delivered the booklets and leaflets from the opposing campaigns.

It's worth mentioning two aspects from that campaign which resulted in an overwhelming majority to stay in the European Community.

The first is to expose the nonsense that one sometimes hears from the Eurosceptics that the British people thought they

were voting for a market. All the debate on both sides in 1975 was about political union. Indeed, the creation of a European Parliament was central to the argument.

The second is how entirely wrong the “No” campaigners were about what would happen if we stayed in. But I’ll return to that later in my speech.

In 1975, wearing tank-top and flares, I voted ‘Yes’ to Europe primarily because I felt that would secure the best outcome for me and my family; the best future for my young children.

In the forty years since I’ve never regretted that decision, but I never expected to have to make it again.

It is a distortion of Parliamentary democracy to suggest that it must entail periodic referendums so that successive generations are not deprived of the opportunity to have an “in”/”out” vote on Europe. To the rest of the world it just looks as if Britain remains uncertain of its place in the world.

Indeed, Britain may well vote itself out of existence; perishing by plebiscite - because if Britain leaves Europe, there is a distinct possibility of Scotland voting to leave Britain.

With no constitutional safeguards on quorums or majorities, this country is peculiarly vulnerable to this particular version of a Game of Thrones.

The consequences of voting to turn our backs on Europe will be much more serious now than they would have been in 1975. That referendum was in effect the decision that many countries are constitutionally obliged to make before ceding any national sovereignty. There are precedents for countries declining to join the EU. There is no precedent so far as I am aware for a country deciding to wrench itself away from an international body in which it has participated for any length of time, let alone forty years.

So the stakes are higher but the questions that each voter asks themselves will, I suspect, be exactly the same:

What is best for me and my family?

What is in our national interest?

What sort of country do I want Britain to be in the 21<sup>st</sup> century?

Britain didn't become an economic powerhouse at the centre of world affairs by accident. We built our economy and positioned ourselves globally through sustained engagement with the rest of the world. For centuries we have been a trading nation. In the last century, we helped build the international institutions that contribute to peace and prosperity - the United Nations, NATO and the European Union.

I couldn't have imagined forty years ago that military dictatorships in the South of Europe and totalitarian regimes in the East would become democracies without a shot being fired. The EU played the major role in this transformation.

So our national interest – our prosperity, security and influence – has always been served by a strategic and skilful engagement with the rest of the world.

## **Economic case**

Being part of the European Union makes our economy stronger.

Those campaigning for ‘out’ want us to consider the economics of this case solely on our gross annual contribution. This is, however, purposely misleading, as it ignores all we get back – whether in trade links, investment or improved productivity.

Today, half of everything we sell to the rest of the world we sell to Europe. In 2014 our exports were worth £226 billion. Yes, we are selling increasingly to emerging markets, but our exports to the BRIC countries accounted for 8.5% of goods exported last year compared to the 45% that went to the EU. We can and should trade with both – we need not be presented with a false choice.

And we receive an average of £26.5 billion of investment into Britain every year from EU countries. Companies from outside Europe invest here because they see Britain as a gateway to the rest of the European Union.

But future potential economic gains from our EU membership have to be considered as well.

New figures produced by the Centre for Economics and Business Research, the organisation that UKIP hired to cost their manifesto, saying that it provided reliable independent analysis, put the value to our economy of exports to the EU at £187 billion in 2014, rising to £277 billion by 2030.

The same report estimates that 3.1 million jobs in the UK are linked to our trade with Europe and that a further 790,000 could be created by 2030 through opening up European markets in tourism, digital services and energy.

Our economic partnership with Europe and the increased competition it delivers across the continent has a direct impact

on consumers. The average family saves around £450 a year due to lower prices, achieved through the strength we derive from being part of the biggest consumer market in the world.

These are big numbers – averages and aggregates. But they represent direct benefit to the individual citizen in Britain. The job that would otherwise not have existed. The wage that would otherwise not have been earned. The new customers in Spain or Poland who would otherwise never have bought things made in Cornwall or Carlisle.

Those who want us to leave present another false choice between these benefits and our independence as a nation. But these gains can be had while the UK retains its independence through a flexible relationship with Europe – outside the single currency and Schengen, but round the table where the big decisions are made.

## **Influence**

Furthermore, being part of the European Union gives us a stronger voice in the world.

It is because of our position in Europe that we were able to deliver EU-wide sanctions against Russia; to help bring Iran to the negotiating table on its nuclear programme; and to lead on issues such as climate change and international development.

It is because of our position in Europe that we have influence with countries outside of Europe, especially so-called Anglosphere countries for whom we are a friend on the inside. It is notable that last week the Commission proposed opening trade talks with Australia and New Zealand, something that Britain has argued for for some time and which we would not have influenced if we stood alone.

Our allies in America want us to be part of the European Union, as do our friends in the Commonwealth.

And our Crown Dependencies. I've just received a letter from the Chair of the Legislative Assembly of the Falkland Islands telling me how concerned the Islands are to remain in the EU for its treaty freedoms, its quota and tariff-free access to the

single market, its development funds, and because the provisions of the Treaty of Rome and its successors help protect the islanders from Argentinian aggression.

On all the issues that trouble governments today – whether cross border organized crime, religious radicalism, economic reform to strengthen productivity, tackling climate pollution or investing in the science and technologies that will shape the future – Europe has a leading role within which Britain holds a position of influence.

## **Security**

Nowhere is that more true in a European Union context than on the issue of national security.

At a macro level, it is easier and more effective to deal with the aggression of a resurgent Russia by being part of a force of 500 million citizens.

And while we would always seek to work together with others in the fight against organized crime and terrorism,

membership of the EU provides an integrated approach that enhances our ability to tackle crimes that know no borders with a response that is equally unconstrained.

The European Arrest Warrant gives us the ability to keep our streets and homes safer. As a former Home Secretary I have first-hand experience of European co-operation helping to make British communities safer.

Consider the fact that 400 people who have committed serious crimes in Britain and then fled to Europe have been arrested under the European Arrest Warrant. One of them was Hussein Osman, the terrorist involved in an attempted bomb attack in London, who was caught in Italy and brought back to Britain within days. He was sentenced to 40 years in prison.

Sir Hugh Orde reminded us last week how vulnerable Britain would be to organized crime were we to make ourselves the weakest link in the European chain by leaving the EU.

It was a stark reminder of what ‘splendid isolation’ really involves.

## **Social protections**

Europe is in essence a Union to ensure that its peoples can prosper from the opportunities offered in our interconnected world, but also be protected from global forces beyond their control.

And since the last referendum there has been a very important addition to the protections it provides.

The introduction of the Social Contract ensures that workers are treated fairly and that the single market can never become the race to the bottom that many feared it would back in 1975.

Minimum paid leave, rights for agency workers, paid maternity and paternity leave, equal pay, anti-discrimination laws, and protection for the workforce when companies change ownership: these are all in place thanks to our membership of the EU.

These protections need to be strengthened rather than weakened. They underpin the EU as a market with rules –

rules to protect free trade, yes – but also to protect consumers, the environment and workers.

## **Out campaigns**

The Out campaigns fret constantly that we who want to remain in the EU will attempt to strike fear into the hearts of the British people in our effort to win votes in this referendum, which is ironic, given that the outlook of the Eurosceptics is grounded in fear – of change; of the future; of others.

In fairness, their anxieties about change are not entirely baseless. Of course the world is complex, rapidly changing and sometimes frightening. The question is how to respond.

The Outers portray Britain as perpetual victims of the EU. This is a pathetic portrayal of a strong nation. Europe is the beach bully constantly kicking sand into the face of the seven-stone weakling that is Great Britain.

They argue that we need to take back control – of our borders, of our parliament, of our country.

But they are peddling a fantasy.

People will seek to come to our country whether we're in the EU or not; some because they are fleeing war and persecution, some in search of new opportunities. Britain is actually in the best possible position to deal with such problems as we are at the moment – in the EU, signed up to the Dublin Accord but outside Schengen. Thus economic migrants have to register in the EU country where they first arrive (and thousands have been deported from Britain in the past 20 years for breaching this requirement), and a visa is still required for anyone outside the EU to enter this country.

Furthermore, it was because Britain was part of the EU that David Blunkett was able to persuade Nicolas Sarkozy to, in effect, move Britain's border from Dover to Calais. Only a very naïve person would believe that if Britain put two fingers up to the 27 other nations in the EU the first reaction of the French wouldn't be to end that arrangement.

As for migration within EU borders, there is no scenario in which we can have access to the single market without accepting free movement. That has been the case for European countries where a referendum has prevented them from joining the EU and it will be our fate if we vote to leave.

There are problems associated with immigration that politicians cannot and should not simply ignore, but the fact is that none of these problems can be resolved by leaving the EU and there is every likelihood that they will be exacerbated.

So if we sought to negotiate our way back into the single market from outside the EU, free movement would be the first condition. The second and third are likely to be a financial contribution and acceptance of other decisions that we could no longer influence.

The Outers complain that we are somehow “run by Europe”. Actually, we tend to get what we want from Europe, and on decent terms.

We have all the benefits of the single market, but we are not part of the Euro: we have free movement ourselves through Europe without being part of the Schengen border-free area; we have retained our rebate and have ensured that we can't be outvoted by Eurozone countries against our interests. The Major Government incorporated the important principle of subsidiarity and incidentally extended the wording of "ever closer union" so that it referred to the peoples of Europe rather than the states. They also added the words "consistent with the principle of subsidiarity". The Blair Government helped achieve the reform which insists that the EU can "act only within the limits of the competences conferred upon it by member states – only if and insofar as the objectives cannot be achieved by the member states".

That's not being run by Europe. That's making Europe work for us.

The only way in which we can shape the future and control our destiny is by keeping our economy strong and remaining influential across the world. Isolation is not the answer.

We are a strong, prosperous country, but we are not so dominant that we can simply dictate to others the terms of any deal. We need to use our strength wisely, and magnify it, where necessary, through the European Union.

It will not be easier for us to make trade deals with the US or China or anyone else as a country of 63 million than we can as part of a trading bloc of 500 million.

We should be confident in our strength, not cowed by our challenges. Outward looking, not insular. Open to diversity, not suspicious of outsiders. Focused on the future, not obsessed by the past.

## **Conclusion**

Of course the EU needs to be reformed. The institution that doesn't require reform does not exist.

But reform is a process, not an event, and the most effective way to reform an institution is through patient explanation, quiet persuasion, building alliances, making friends, being entirely committed to the institution that you seek to reform –

not by blundering around shouting insults and threatening to leave.

In any case the referendum won't be on a reform package, it will be about whether to remain on the pitch or instead become mere spectators.

And looking back to those leaflets I delivered in 1975 it's incredible how little the argument has changed for remaining in the EU.

The "Why You Should Vote Yes" leaflet said:

"Being in does not in itself solve our problems. No one pretends it could. It doesn't guarantee us a prosperous future. Only our own efforts will do that. But it offers the best framework for success, the best protection for our standard of living, the best foundation for greater prosperity. Today we are even more dependent on what happens outside. Our trade, our jobs, our food, our defence cannot be wholly within our control. That is why so much of the argument about sovereignty is a false one. The (EC) strikes a balance,

between the wish to express our own national personalities and the need for common action.”

Forty years later I believe those arguments remain absolutely central to the debate and that there is no valid argument that Britain would have fared better if they’d voted “No” in 1975 and plenty of evidence to suggest the opposite.

But it was the ‘No’ vote that lost, and their predictions in 1975 need to be examined before we decide whether to accept their arguments in this referendum.

The ‘No’ leaflet said that the European Community “sets out by stages to merge Britain with France, Germany, Italy and other countries into a single nation. The real aim of the Market is, of course, to become one single country in which Britain would be reduced to a mere province.”

Is there anyone who seriously believes that, forty years on, any of this drivel is remotely plausible?

The 'No' campaign told us our food would be dearer, that we wouldn't benefit from the discovery of oil in the North Sea and that we should remain with Sweden, Finland, Austria, Portugal, Norway, Switzerland and Iceland in the European Free Trade Association.

Today all of those countries are either full members of the EU or they apply its treaties and rules without being able to influence them.

This referendum will be about hope for the future. Labour's campaign will focus remorselessly on demonstrating that being a member of the European Union is in our national interest.

And that national interest underpins our personal, individual interests: a stronger economy providing more jobs and lower prices; stronger security, leading to safer streets; stronger social protection, making Britain fairer; and a stronger voice in the world, helping Britain to shape our global future.

The pro-European argument prevailed in 1975 and the Labour Party will seek to ensure that it prevails once again.

Ends.