

Brussels, 12 December 2003

Statement by Pat COX at the Intergovernmental Conference

At the outset, I would like to place on the record Parliament's appreciation of the very great efforts that you, Mr President, Mr Frattini and your colleagues in the Italian Presidency have made, in order to bring us to this decisive stage in the IGC. In the compromise proposals you have put forward at various stages, you have tried to keep as closely as possible to the results of the Convention, which, we all agreed, were the basis for the work of the IGC and which were signed up to by all of our governments, by representatives of all our parliaments and by the European Parliament.

The results of our work will require ratification in all Member States, with referendums in a significant number of our countries. To gain public acceptance of this project will require a sustained promotion of the positive benefits that the Constitution could bring:

- coherence in our external policies, more efficient decision-making in our legislative work,
- concerted action on issues of internal security, immigration and asylum,
- protection of our common values through the incorporation of the Charter of Fundamental Human Rights into the Treaty,
- a strengthened parliamentary dimension through national parliaments and the European Parliament playing a fuller role,
- democratic reforms for all our Institutions, and
- a re-direction of the EUs efforts to concentrate on areas where Europe working together brings added value to the actions of Member States.

I would ask you, the political leaders, to place greater emphasis on the positive aspects of the Constitutional Treaty, and perhaps a little less emphasis on perceived threats to national sovereignty. The red lines must not occlude the black ink, while accepting that the IGC is not simply a rubber stamp for the results of the Convention. It is our judgement that you will succeed in rekindling public enthusiasm, rather than ceding further ground to the Euro-sceptics.

The Treaty will have great value if it achieves a constitutional settlement. Perhaps I have not yet acquired the historical wisdom of President Giscard d'Estaing, and certainly not yet his longevity - *je ne suis pas parmi les immortels* -, so you will understand that I do not see that this Treaty must necessarily stand unchanged for 50 years, but at least we should not build in its own obsolescence. The problem with our past Treaties is that we have been obliged to start negotiating the next Treaty before we have finished ratifying the previous one. At the very least, we must avoid building into this Treaty the terms of reference for the next IGC.

Therefore, the European Parliament believes that there must be no open-ended rendez-vous clauses, while we accept that certain provisions may only come into force after several years, and should be accompanied by appropriate checks and balances. History has taught us that the leftovers from Maastricht were not really settled at Amsterdam, that issues unresolved in Amsterdam were not really settled in Nice, and that a Europe of 25, and soon more, needs a constitutional framework which will stand a reasonable length of time, so that we can then turn our attention to the real concerns of our electors - jobs, security and sustainable growth. Above all, we would be able to conclude this phase of permanent constitutional redesigning and tinkering.

You have invited me to participate in your work to bring the parliamentary view to your proceedings. With your permission, I would rather reserve detailed comments on specific issues where Parliament has a contribution to make until you arrive at those items on the agenda. Parliament has its own institutional stake, but it has a wider duty to advise you - no more than that - on specific issues which concern the general European interest.

You will certainly be having difficult discussions on both the areas to be covered by qualified majority voting, and the way that qualified majority voting is organised. Parliament's overall judgement will be formed in answer to the very straightforward question: does this solution enhance the Union's ability to deliver, or does it weaken it? We know that, at this stage of European integration, it is not possible to apply qualified majority voting in all cases, and we accepted as much when we endorsed the results of the Convention.

Further significant reductions in qualified majority voting, or making it easier to block decisions in the European Union, might provide a superficial assurance to public opinion in the Member States in the short-term; in the longer term, however, in the longer term, it risks undermining our capacity to act, and would exacerbate public frustrations about Europe's relevance and ability to address the real problems of our citizens.

I have to say that some of the compromise proposals from the Italian Presidency, particularly those which would involve recourse to the suspension of procedures by reference to the European Council - in the areas of civil and penal law - would cause a disturbance of what should be the normal institutional balance in law-making.

On one issue, there is a specific parliamentary concern: the provisions on the financing of the Union and its budget procedure. Parliament supports the balanced outcome of the Convention: Member States agreeing own resources, Council deciding the multi-annual financial perspective with Parliament's assent, and a simplified budgetary procedure.

Different ideas have come forward from ECOFIN and from certain national delegations. Some of these proposals would undermine parliamentary scrutiny of the budget, not simply compared with the Convention conclusions of 2003, but also compared with the budgetary treaty of 1975. They are based, in our view, on a misapprehension. Since our 1988 Interinstitutional Agreement on the multi-annual framework, our Institutions have successfully reached agreement on the budget each year.

The Budget has never in any year exhausted own resources.

Of the two branches of the budgetary authority, Parliament has exercised greater restraint on increasing expenditure than Council over the period 1988 to 2003 (an aggregate €21 billion for Parliament's discretionary areas, €33 billion for Council's), and, as we heard from the President of the Court of Auditors this week, the main budgetary problem that we have had is that we underspend each year by up to €15 billion, significantly less than the overall budget agreed by our Institutions. This underspending may be welcome news to the accountants in our national treasuries, but it is an illustration that we are not reaching our policy targets, whether it be on agriculture, the Structural Funds or in our external spending.

There is no evidence to suppose that the new budgetary proposals made by the Convention will lead to budgetary drift. On the contrary, shared responsibilities with Parliament and Council over the whole budget and over the multi-annual framework is the way forward. The ECOFIN alternative is a step backwards; it flies in the face of the budgetary evidence, the whole logic of the Constitutional Treaty, and our long-term efforts to democratise our work through increased parliamentary scrutiny. I do not reject out-of-hand some of the ideas contained in the most recent proposals, but I have to alert you to the depth of feeling in Parliament on this issue, because budgetary powers, the control of the purse-strings, go to the heart of parliamentary democracy, not only in Europe but also in all our Member States. I note that when we met with national parliamentarians from the Convention last week, there was a consensus that Parliament's rights, particularly in the budgetary procedure, must not be jeopardised.

My primary duty is clearly to defend Parliament's position, its political prerogatives, but also its efficiency. This Parliament, with its heavy legislative workload and its role of scrutiny on the budget and over the Commission, must also be a manageable body. This work can only be done by a Parliament, not a Congress of Peoples. 736 seats - in the Convention proposals and in the Italian compromise - is pretty well at the limits of what is organisationally operational for a working Parliament. You may well perceive that there is a need to look at the seat distribution, particularly to take account of the concerns of the smallest Member States, and perhaps to recognise the concerns of others about their representation in other Institutions, but this must not involve sacrificing the principle of degressive proportionality, nor should it add seats to what is already a very high total. This is not simply pleading from the Parliament; for the European project to work, the European Institutions must be efficient. Seats in the Parliament should not be used as a playing chip in a gambling saloon.

In the latest catalogue of points which the Presidency distributed yesterday, and for which, at the moment, there is no clear compromise, issues of great sensitivity for Member States arise.

Parliament's overriding wish is that you, in tackling these problems, recognise, as the Convention sought to do, that success of the European project requires recognising the diversity of Member States, but also their fundamental equality. The historic divisions in Europe must not be replaced by new divisions of big and small countries, of North and South, of East and West, or of new and old. All our Member States must feel equally at home in this new European edifice.

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There are some voices who now say that the Constitutional Treaty is not indispensable, or that if we do not achieve a result this weekend, this would not be a setback, merely a postponement. I disagree on both points.

Having recognised the imperative in Laeken, and set ourselves the objective in Thessaloniki, we would publicly acknowledge our lack of political resolve if we now postponed or abandoned our attempts to provide the European Union with an efficient institutional structure, capable of meeting the new challenges for the new Europe in the new century. Public opinion in the European Union already disenchanted with what is perceived as disagreement and disarray, and our partners in the rest of the world would draw their own conclusions from any setback.

I see no reason to believe that some of the more difficult issues that we face will suddenly become easier in the New Year. It is not as if those issues are new or require further debate. They now require our concentrated attention to reach solutions.

And I refuse the fatalistic pessimism of those who say "Better no Constitution than a bad Constitution". We all want a good Constitution - and provided there is a political will, and a genuine give-and-take in our discussions, we can achieve a good Constitution.