CHATHAM HOUSE

Chatham House, 10 St James's Square, London SW1Y 4LE
T: +44 (0)20 7957 5700 E: contact@chathamhouse.org
F: +44 (0)20 7957 5710 www.chathamhouse.org
Charity Registration Number: 208223

Transcript Q&A

The Referendum on Europe: Opportunity or Threat?

The Rt Hon Sir John Major KG CH

President, Chatham House; British Prime Minister (1990-1997)

Chair: Dr Robin Niblett

Director, Chatham House

14 February 2013

Robin Niblett:

Sir John, if I could quickly do my take on the answer to the question you asked – opportunity or threat? Opportunity for Europe, I think is what you're saying, maybe for a more competitive Europe, one that takes on some of the aspects of the British agenda for all; opportunity for the Conservative Party as well. But then, threat for the UK national interest, and you laid out a whole range of areas where those risks could come about if the referendum were lost.

I want to take you to one specific point you made here, and it echoes a point that David Cameron made as well in his speech, where he had his five principles. I think his fourth principle was about democratic accountability, and he linked this in with the role of national parliaments. You talked about having a cabinet minister involved in the negotiation, but that's an interaction between the cabinet and the EU. How do we get national parliamentarians more involved? Do you think they may either be interested in becoming more involved as a result of the fact we're now going to have a five-year process of negotiation – but how do we make sure there's a connectivity through national parliamentarians to the body politic more broadly in the UK? Do you agree that there should be a bigger role for national parliaments, both in the UK and across the EU?

Sir John Major:

I do agree with that. As a general point, I favour this referendum because I simply don't believe we can go on as we are – year after year after year after year – with prime minister after prime minister going to Europe, being pushed by people to negotiate a victory equivalent to Waterloo or to come back and be told he's failed. I just don't think we can do that. I don't think it's in our national interest to do it.

If you look at the last 50 years of politics, with all the problems that needed to have been solved, the whole of our politics has been dominated by two subjects: inflation and getting the economy right, and relations with the European Union. Everything else has sunk to a lower level. When you look at the social things that we ought to be doing in this country, that are critically important, you see that we really cannot afford in any way to go on with this wretched debate continuing in the fashion it has for so long. So I favour the referendum for that reason.

I touched upon democratic accountability because I do think we need to reengage the parliaments. I personally think it was a very great mistake when

a change was made that stopped national parliaments – serving both in the national parliament and in the European Parliament, when there were people sent there – because there was a direct connection. There were advocates for both in both, if you see what I mean. That has been lost. Now you go to Westminster and they look at the European Parliament as though it's some sort of strange alien beast with which they have no connection, and very little affection. And it sets up competing bodies rather than something that should be working together.

Now I don't immediately know how we make that democratic accountability better, and in any event we have to discuss this with other countries as well to reach a conclusion. But it is clear that democratic accountability in Europe at the moment is inadequate, and it is not beyond the wit of the European nations to devise a system that makes it adequate. When it does that in this country, it will bleed a great deal of the poison out of the system that has done so much damage over the last 30 years.

Robin Niblett:

Thank you. Let's take some questions here.

Question 1:

Could I ask Sir John – you said that if the UK was seen to be in the driving seat, it would revolutionize opinion in this country. But is this not already happening, care of the prime minister's speech, the outcome of the last European Council meeting on the multiannual financial framework, and of course the exercise on competencies already underway in the FCO?

Sir John Major:

We're not the only country looking at competencies, of course. Other countries are as well. There are areas where we've led policy, of course there are, the single market being the supreme example. But too often we appear to be dragged along behind other people's ambitions. One thing I learned during the period I was prime minister – that by the time issues came formally onto the European agenda, there had been a great deal of pre-discussion amongst Continental heads of government over what their preferred outcome would be. Their minds were half, if not three-quarters or perhaps wholly, made up long before it came on the agenda and long before Britain actually

became involved. That is partly because we seem to stand apart and deal with matters in a different way.

And I don't think the British public like that. They don't like the tiny intrusions into our public traditions. There was a trivial but annoying situation a few years ago when they did something – I forget precisely what it was, it was a health and safety measure I think – that prohibited the Women's Institutes from making and selling jam. Well, in the great scheme of things, that's actually quite a small issue. But it was indicative. It was something people could grasp and it was indicative of the European Union interfering in things we don't really, frankly, believe they should interfere in.

I think if we concentrate on the bigger issues – I listed a whole series of areas where Britain could lead policy. I think if we were seen to do that, people in this country would welcome that. Far better to lead than to suddenly find that somebody else has suggested something and we have to decide whether we agree with it or whether we don't, to what extent we do and to what extent we don't. The more you lead the European agenda, the more in practice you are likely to get the outcome you wish for. The Single Market has shown us that.

So I want us to give a higher profile to looking at policy in Europe that affects us, where we should advocate it rather than just appear to be in a defensive posture more often than not. Let's move from defensive to being a proponent of policy. I think that would help the national agenda a very great deal.

Question 2:

Sir John, thank you. You've just said you'd like to see Britain in a role leading the European agenda, but earlier in your speech you also talked of repatriation and used words like 'concessions' and 'demands' that we would expect from Europe. Which is it? Are we arguing in the negotiation for a reform for the whole of the EU or are we arguing for UK exceptionalism?

Sir John Major:

I hope we're arguing for both. There are certain areas where I think we need changes because they damage us – and frankly, you will find, the prime minister will find when he engages in these one-to-one discussions that we are not alone in our frustrations. Time and again in Europe, it was my experience, and it was Margaret's before mine, that we stood there in committees objecting to things that were going on. And we'd either win or we'd lose but someone would sidle up to us afterwards and say, 'I'm so glad

you said that – we feel exactly the same way about it.' And we both said, each in our own inimitable way, Margaret and I, 'What a shame you didn't say that inside the meeting rather than outside the meeting'.

So I think there are areas where we are looking for things that are damaging for Britain to be changed. But I think we're also looking – at least I'm advocating we also look – for changes to the European policy as a whole in many areas, because that is of interest to other people in Europe. It will gain us allies for our bits of exceptionalism and it will also improve the working of the European Union in a way that will help every nation but also help us.

So I hope our negotiations are not just going to be: we want to stop doing this or stop doing that. I hope it is going to be wider because I think – particularly after the remarks by Giscard – I think there is a scope for a much wider renegotiation that would help other people as well. I think that would be eminently desirable. And it is significantly for that reason that I recommended in my speech that a lead negotiator be appointed sooner rather than later, who has self-evidently to be very close to the prime minister, and for that reason I advocate he or she should come from the cabinet.

Question 3:

Emma Reynolds, Shadow Europe Minister. Sir John, you gave a very robust defence of our membership of the EU, and when you were in power you negotiated very successfully two major opt-outs, one of which we discarded when we got into power – notably, the social chapter. We still think we should be in the social chapter.

But would you concede that it's much easier – despite your success – it's much easier to negotiate to remain after something that doesn't yet exist than it is to repatriate whole swathes of policy that already exist? What chances do you really think the prime minister has in repatriating power? Isn't there a risk that he won't be very successful at all?

Sir John Major:

Thank you, Emma.

I must say, it didn't seem very easy at Maastricht. I have to tell you, it certainly didn't seem very easy. It took innumerable meetings and individual discussions with every member of the European Union, in order that they were in no doubt that this was not a party-political matter but a national

matter, before we actually got our way. You don't negotiate anything really big just when 27 of you sit around the table – it just doesn't work like that.

Is it more difficult to repatriate something that already exists? It will be difficult, yes. Many of the things I referred to are not actually opt-outs, and I've raised a whole series of different options that may come out of these particular negotiations. I don't think it's impossible. I certainly don't think it's impossible to negotiate some British exceptionalism in certain areas. But of course it is going to be difficult. But I think it will be easier to negotiate those difficult bits if you have other negotiations that actually impact upon other nations as well that they will welcome. We work with the grain where we can rather than solely against the grain.

So difficult, yes. I entirely agree it's difficult and ambitious. But I do think the prime minister has some significant negotiating cards to play and I think it is possible to negotiate some of those changes. I say that on the basis of having done quite a bit of negotiating with Europe myself. I don't just say that as a supporter of the Conservative Party but as a dispassionate observer of what I believe to be possible.

Question 4:

Sir John, I can't remember the precise words you're said to have used to describe the Eurosceptic wing of the party, but I just wonder how much more difficult or less difficult you think they will be for the current prime minister to deal with than in your time as prime minister.

Sir John Major:

Mercifully, the words slip my memory too. Of course it will be difficult, but here we are dealing – and I hope the other political parties – we are dealing with a national negotiation. The dismay at some aspects of European policy isn't restricted to members of the Conservative Party in Parliament or outside. There is a great deal of concern outside. You see that with the growth of UKIP, who feed on a remarkable diet that doesn't stand up to very close examination, but nonetheless have done it very successfully thus far.

So of course it will be difficult. And I did say expressly in my remarks that some people are so fundamentally opposed to the European Union that they will be impossible to persuade. That will be true of some people and I think you will find it's true of some people in each of the parties, not just the

Conservative Party. But I don't think that's true of the overwhelming majority of Parliament or indeed the overwhelming majority of the Conservative Party.

As to whether it's more difficult or less difficult, I'm not in Parliament now so I'm not best placed to make that judgment.

Question 5:

At a similar function to this last week, I heard a prominent member of the House of Lords describe what David Cameron has done as 'Russian roulette with the British economy'. It looks as if we're going to have no growth at least for the next four years. At the end of those four years, China could well be 40 per cent richer than it is now and over the average there will be hundreds of millions of people who are much richer than they are in Britain. This delay seems to me to just weaken our economy even more than ever.

Sir John Major:

I think a lot depends – I mean, you clearly have in mind the argument that in the interim period between now and 2017 we will lose inward investment and things of that sort. Yes, I think that's a very fair question, one worth addressing. I think the extent to which that happens or doesn't happen may depend on the extent to which the high command of politics in all parties begin to engage in this argument now. If they begin to shift public opinion, which I think is already slowly beginning to shift, then I think it's going to have a much lesser effect on external investment than if nothing is done for three years.

I think once the argument is engaged and the argument is being seen to be won – I am not a great Europhile. There's lots about Europe that I don't myself personally like. But when I look at the scales of whether the British national interest is best served by being in Europe or out of Europe, I have not a shred of doubt that the British interest in the short and in the long term is better served by being inside the European Union. And I hope all the people who feel that way – the politicians, the CBI, the TUC, prominent individual businessmen, academics – the moment they engage in the argument, they will shift public opinion.

The debate on Europe over the last 30 years, from the point of view of the public, has been woeful. They've heard the extremes of anti-European opinion and occasionally, though less often, the extremes of pro-European opinion. The vast bulk of people who sit in the middle, who weigh the balance

of advantage and disadvantage of being in Europe, have been silent. And all of us who have been more silent than we should have been can bear our share of the blame.

Well, it's time not to be silent. It's time to speak up. I have very little doubt that we can explain what has not been explained, point out what has not been pointed out, and I think we can shift and change public opinion. If we are seen to be doing that, then the chance of malign economic loss of investment or whatever else might happen in the interim period between now and the referendum correspondingly diminishes. If we leave the debate to the antis and people continue to fear we'll come out, then precisely the concerns you have are heightened. So that is why I'm here today and that is why I think everyone who feels broadly as I feel should express their particular opinion.

You say China is going to be much wealthier in four years and we won't be – well, that is true with or without this debate. That is true right across Europe. But if we can, over Europe, if we can light a debate with allies across Europe that actually begins to make an impact on the things that have made Europe less efficient than it should be, then something really dramatic and beyond the British interest – but in the British interest – will have come out of this referendum and these negotiations. And we will then be better placed to compete with China and other nations at the end of this exercise.

Question 6:

Sir John, I wonder if we can go forward to the day after the referendum, when presumably it will then be put to Parliament to vote for it formally to be law. It's easy enough if the referendum is won – it becomes government policy, it becomes a government bill in its favour. But is it not a threat to procedure of Parliament if the vote is no, it's put up – I'm not quite sure how the government would present it – but supposing it were defeated, would the government be defeated and would we ironically find a parliamentary vote of that nature keeping us in the European Union?

Question 7:

A lot of the debate around this has taken it as a fait accompli that there's actually going to be a referendum. How likely do you think that actually is and do you think, as a dispassionate observer, that Labour should commit to a referendum after 2015 as well?

Sir John Major:

If I can take the first one – if you hadn't told me you were a member of Chatham House, I could have guessed. It would have been very easy to guess.

The British public are sovereign. If the British public say no, Parliament will accept that. The concept of Parliament not accepting what is determined by the British nation in a referendum, I would regard as quite beyond the realms of reality. The British public say no, that's the end of the argument; the British public have said no. We have asked them for a verdict and they have given their verdict. So I think that is the end of it. Parliament would enact what the British public have to say. I don't have any single shred of doubt about that. Some may dislike the decision, whichever way it goes – some will, whichever way it goes. But it will be adopted; I don't think there is any doubt about that.

Will there be a referendum in any event? The Liberal Party, who I fancy may not be in government alone after the next election, are not in favour of a referendum. The Labour Party – well, let me offer you a piece of history. In 1994, after two years of persuading cabinet colleagues – or maybe 1995, I forget which – I managed to persuade the cabinet that if we ever went into a single currency we would put the issue to the public in a referendum. Within three weeks of that, the opposition had adopted the same policy, because they thought it was very difficult to go to an election when one party was trusting the public on an issue of fundamental importance and the other wasn't.

Now, history sometimes is instructive. I cannot speak for Mr Miliband, nor would I wish to – nor would he wish me to. But I would not be shocked out of my socks if Labour change their policy and decided before the election that the sovereignty of the British public was not a matter of question, and therefore if they had been promised by their government a referendum then any incoming government, were they to win, would honour that promise. So my expectation, my working premise, is that in the present debate, Mr Balls will win and Mr Miliband will concede, and at some stage before the election the Labour Party will offer a referendum as well. That's a working premise.

Question 8:

You base your support for the referendum in part on the idea that it can put an end to the poisonous discourse about Europe in British politics. Is there a risk though that if you have a referendum in which a large proportion of the population doesn't vote and you get a very close outcome on either side,

either in favour or against, that we would end up reflecting the divisive debate in the UK rather than putting an end to it?

Question 9:

I wonder if you could comment on the position of UKIP and the fact that both at the referendum and looking beyond it to the next election, if one predicts things now, UKIP will stand in practically every seat against the Conservatives. They may win naught to one seats but in the process will probably cost the Conservatives 20 or 30 or more. It does seem to me that – I mean, how can UKIP and the Conservatives reconcile their position and not hand an own goal to the opposition?

Question 10:

The European Union and the euro have both been essentially Franco-German ventures. At the heart of both have been this alliance between France and Germany and the assumption that France and Germany are equals. That assumption is obviously no longer so. To what extent is the question of Britain's role in Europe part of a wider question, which is basically the German question again: to what extent is the future of Europe also a discussion about the future role of Germany within this Europe?

Question 11:

I wonder whether from your past experience of this you can throw some light on the dynamics of the conversation. As Anthony has just said, the sense of ownership of the European project, particularly by France and Germany and now perhaps arguably by a large group of nations who see perhaps Britain as a troublemaker and therefore dispensable in this process, seems to be the climate into which he's walking. Indeed, on the day of the prime minister's speech, the French and German ambassadors actually spoke at a meeting here and they hardly welcomed this initiative.

From your experience, would the centre of gravity in Europe, which might have been described as residing close to Helmut Kohl at your time, perhaps you could throw some light on how you see that landscape today?

Sir John Major:

I'll take the last two questions first, and I'll deal a little with personal experience.

I find it difficult to tell you how many meetings I had with France in which President Mitterrand said to me, 'You British must play a big role because we need to counterbalance the power of Germany.' And the number of meetings I had with Chancellor Kohl in which he said to me, 'You British must work with Germany because we are the only two free marketeers, and there may be a load of protectionists and we need to be careful about French adventurism.'

There are an awful lot of eastern European nations who see Britain as a natural ally. So I don't think Britain is a dispensable part of Europe. If I were a German, for example, I would be very worried about Britain leaving and then Germany without a British counterbalance with France, Spain, Greece, Italy, maybe even Portugal but less so Portugal, all perhaps leaning in a protectionist direction. And if I were one of the new members from eastern Europe, I would not be at all pleased to see someone who often speaks out to protect the interests of the smaller nations going either.

So I don't see Britain as a disposable part. I think Britain is an essential part of the architecture. I just think she could be more effective and even more influential if every British prime minister didn't go out to Europe accompanied by carping voices from home telling him or her exactly what they should achieve when they were there.

I don't think France or Germany have the ownership of the project that I concede they had in the earlier days, nor do I think at present the relationship is quite as it was 20 years ago – although of course that can change. The number of occasions I have been advised that the Franco-German relationship cannot last, and whereupon the Franco-German relationship has strengthened, is beyond number. So I don't advocate that it will disappear but it will have its ups and downs. It's not at its best at the moment. But Britain is an indispensable part of the architecture.

Now on the first two questions, Tom's question about not many people voting and the possible risk thereafter – well, we face a possible risk against a certainty. The present certainty is unless something happens, this anti-European feeling that has grown exponentially over the last 20 years is not suddenly going to dissipate and disappear. Unless we reengage in a national debate and convince people that the Europe we're in is of interest to us, things are just going to get worse.

Whether we like it or not, there are lots of people out there who think the Europe we're in is not the Europe we were promised and not the Europe we joined. They feel very deeply about that. The vote was 40 years ago and they think it's now a different Europe – 'I didn't consent to this'. It causes a great deal of frustration and ill feeling. I don't think you're going to get rid of that without giving them the opportunity to consider the case afresh and decide afresh, and once they have decided afresh I think you would put the extremes of opinion on Europe to the sidelines of debate upon Europe. And that is what I hope and believe might happen.

Peter Cadbury asked me the unanswerable question – I've never been to Chatham House without somebody asking the unanswerable question, it was Peter's turn to do it on this particular occasion. How do we reconcile the position with UKIP?

I don't think we can. I don't think we can. I think you have to draw a distinction between two separate groups of people: those people who are so committed that they have established and worked for UKIP in a very dedicated way, and those people at the moment who are using UKIP as an output for their frustration – sometimes as a dustbin vote – because they just feel something is wrong and we ought to do something to change it.

I think if we engage in the debate we can disattach a lot of those people. I don't think we'll disattach all of them, and I don't think we can or should do a deal with the leadership of UKIP – because the leadership of UKIP have a policy that I think is against the British national interest. They want us to leave the European Union. We cannot treat with that if we don't wish to leave the European Union. If we don't believe it is the right thing to do with the European Union then we cannot make common cause with UKIP, and I personally think it would be a mistake to try.

Some people have advocated it purely on the basis of the fact that it might be electorally convenient. I don't accept that argument. This is a very long-term policy that we're engaged upon; it will have long-term, permanent impact on the future of Britain. It isn't a matter in which you can enter into a party-political negotiation on the side for party convenience, nor do I think we should attempt to try.

Thank you all very much.

Robin Niblett:

Sir John, thank you very much.