

**Deputy Prime Minister
XXXIV COSAC Conference
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Across Europe the scrutiny committees of the national parliaments play a crucial role in ensuring that proposed European legislation takes into account properly the needs and interests of the 450 million citizens of the European Union through their national parliaments.

The relationship between national parliaments and European institutions is vitally important and it's something which I've had a great deal of personal experience in my political life.

For over 30 years I've wrestled with balancing the benefits of an European approach to prosperity and social justice and the need to ensure that the rights of national parliaments are respected.

Back in 1973 the UK was taken into the common market by the Conservative Government under Ted Heath. When in 1975 the British had a referendum on our membership of the common market I voted against.

I did so because the Common Market embodied, in law, the free movement of labour and capital which I believed to be the essence of capitalism. I thought that it would reduce the role of our national parliament in decision making and would put us on the road to a federal Europe.

I was also a Member of Parliament for a fishing port - Hull - I believe that entering the common market would mean that we would lose our fishing rights to the rest of Europe.

But I lost the argument - and once our membership in the common market was confirmed, the issue became how we could influence the European assembly and ensure that we could use our veto in the national interest where necessary.

Here in Britain our 2 scrutiny committees - the House of Commons and the House of Lords - in their own different ways, have looked at legislation coming out of Europe and have been able to bring matters of particular national interest to the attention of parliament and produced a number of very important reports.

The Danes went even further and said that the government must seek a mandate from the scrutiny committee before agreeing to anything in the European Council.

Our Labour Government sent a delegation to the Assembly (they didn't believe it was a Parliament!) reflecting the make up of the party - half opposed to the Common Market and half in favour. They were to argue their different views within a context where the national veto still determined decision making.

And so it was ironic that having spent my time opposing the concept of a common market I ended up going there and becoming leader of the British delegation to the unelected European parliament.

Then when it became an elected parliament I decided I didn't want to stand for an election to it. In fact when the British Prime Minister offered me a job as European commissioner I turned it down not because I was anti-European, but because I didn't believe in the Common Market and a possible federal Europe.

In those days, when the European Union had just 10 member states, it was easier to see a Europe of greater conformity and convergence. But of course the enlargement of the European Union to 25 member states has changed all that.

It has challenged the European Union to find new ways to ensure that the business of the European Union gets done whilst at the same time respecting the rights and opinions of 25 member states.

During the 1980s, more and more decisions were made by majority voting and in 1992 The Maastricht Treaty extended the role of the European Parliament and introduced the principle of subsidiarity.

Maastricht also extended qualified majority voting to education, health, the environment and economic and monetary policy.

The constitution, which has recently been rejected by some member states would have extended majority voting further into areas such as the freedom of movement for workers and the common transport policy.

The national veto would have remained in the second and third pillars of the EU – the common foreign and security policy and justice and home affairs.

Nevertheless, more majority voting, together with extra powers for the European Parliament made the constitution very controversial.

The UK Government wanted a subsidiarity monitoring mechanism in the constitution. If one-third of national Parliaments thought a proposed mechanism breached the subsidiarity principle, the Commission would have been forced to reconsider it.

Regardless whether the Constitutional Treaty comes into force, the UK Government believes that the role of national parliaments in the making of EU legislation needs to be strengthened.

We will continue to look for ways of enhancing this role within the framework of the existing treaties.

Your ideas from this conference are an important contribution.

You can draw together the good practice from across EU national Parliaments. Your practical ideas will be invaluable for advancing the European agenda.

We still want to improve the scrutiny of the principle of subsidiarity by national Parliaments; that's one way to help make the EU more transparent and accountable to citizens.

The Foreign Secretary made this clear in a statement made to the House of Commons on 6 June: "The issue of subsidiarity- of decisions being made at the lowest level possible-has been a long-standing concern of the Government and is one that we shall pursue".

The enlarged European Union of 25 nations brings together 450 million people with widely different economic, social, cultural and political traditions.

But today, at a time when the enlargement of the EU and the globalisation of trade offer new markets and new growth, Europe's ability to deliver for its citizens is in question more than ever before.

Instead of moving towards the extra 20 million jobs to be created by 2010 under the Lisbon agenda, Europe still has 20 million people unemployed - half of them for over a year.

Meanwhile, the world's economy continues to change at remarkable speed. China's GDP has gone up 15 fold in just 20 years. But China - and India - are not simply competing in cheap, low skilled manufactured goods – they are also competing in high value goods, demanding advanced skills and technology.

The Lisbon agenda showed that we need to invest in full employment, in knowledge, research and development, in innovation and in education and training.

According to the Kok report, for the Lisbon agenda to work, we need to deliver on the commitments we have agreed to – for example in the mid-term review of Lisbon last year.

That means action at the European level – complete the Single Market, reform product and capital markets. And actions by Member States – taking the difficult decisions on labour market and social policy reform, taking account of the national context.

But so far we haven't done enough on either – and it continues to be controversial. We've still got a long way to go.

And, in getting to grips with the Lisbon agenda, we have to avoid the trap of thinking that common values, and common standards, of social justice and economic progress mean the same policies and the same solutions right across Europe.

The purpose of Europe has to be to maximise economic prosperity and social justice. They are 2 sides of the same coin and together they lead us to full employment.

As individual nation states, we need to use and develop our existing assets and investment more effectively, as well as the skills we need. We have a lot to learn from each other - what we've got right and what we've got wrong.

In Britain, we've not only created sustained economic stability and reduced unemployment, but we've also increased investment in schools, hospitals and public transport, often through public private partnerships.

Our model has raised employment and investment. It's worked for us, but our approach may not always work elsewhere.

So we are keen to share our experiences with, and learn from, our European partners.

That doesn't mean a single blueprint for the whole of the EU, because our cities and regions are highly diverse.

Many Member States, including the UK, are striving to create better places for their citizens, through integrated policy approaches that respond to their national, regional and local needs.

But I also believe that it is possible across Europe to identify some key characteristics of a thriving community which delivers a better quality of life for its citizens.

What I call a sustainable community.

Sustainable communities are places which balance social, economic and environmental concerns through a strong, coherent framework which involves and empowers their citizens.

They have thriving local economies and good transport services – providing jobs, schools, health and other services that are accessible to all.

They have high standards of quality and design, and feel safe, secure, and family friendly, as well.

So how do we build sustainable communities?

I believe it's essential to integrate a range of strategies and structures – economic, social and civic – which too often operate in isolation from each other.

Encouraging public private partnerships, and ensure that different public funding streams are pooled together, are also important.

At the European level, there is huge potential in the concept of sustainable communities.

The principles and practice of sustainable communities provides a flexible but coherent approach to delivering economic growth, social justice and create cleaner, safer, greener communities.

That is why I am inviting Ministers from the Member States and representatives from the European institutions to Bristol in December to debate and agree the way forward on a European approach to sustainable communities.

It will be called the Bristol Accord and will

- build on the urban acquis agreed at Rotterdam; and
- it will act as an important next step in helping Member States to deliver the Lisbon agenda for jobs and growth,
- the environment sustainability goals set in Gothenburg,
- and the effective democratic governance, agreed in Warsaw.

I also want the Bristol Accord to lay a foundation for future progress and cooperation between Member States over the coming years.

Different Member States start from different places and there are various ways of achieving our objectives.

But our common challenge is to ensure that our values of economic prosperity and social progress deliver full employment, social convergence, sustainable growth, decent public services, a better quality of life in the face of remorseless, relentless global competition.

Each country has to make choices on the issues.

But if Europe is to be more than a sum of its parts; if we are to remain a world political and economic power; if we are to achieve social justice and economic prosperity hand in hand; all of us must engage in the process of change.

Our aim must be to create sustainable communities in which the people of Europe will have a more secure and prosperous future.

We can achieve economic prosperity and social justice if we work together across Europe.

Together we have a fifth of the world's economy and we have the skills, culture and ability to succeed in the face of a rapid global change as long as we are prepared to face up to difficult decisions.

But our national parliament of 25 member states must also play a critical role in ensuring that the complexity and diversity of Europe is not only respected but also contributes to Europe's success.

Working with European partners through rest of Presidency and beyond

I'm pleased that there is a programme of events coming up during the remainder of the UK Presidency which will try to take forward this agenda.

The fact that these events are being organised by Member States and by national Parliaments shows the widespread interested in making progress.

The Dutch Government are leading on a conference in the Hague on 16-17 November which will look at exactly this principle: how we can collectively ensure that the EU acts where it can provide added value.

That event will be co-hosted by the UK Presidency, and national and regional Parliaments will be invited to the event, as well as Member States, civil society, academics and others.

I hope this will be a further opportunity to discuss and take forward your ideas, and any others, drawing on good practice from across Europe.

And I know the House of Lords here will organise a conference on 29 November to look at practical ways of improving compliance with subsidiarity.

Again, I look forward to hearing the ideas which emerge.

This is not just a project for our Presidency.

We will also work with succeeding Presidencies to support and advance the ideas which emerge from these various discussions.

Thank you.

ENDS

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