

ONE NATION IN EUROPE

Introduction

I am delighted to be here with you today.

And I want to thank you, the representatives of British business, for the extraordinary work you do, especially in the difficult times we face.

In the last two years since I spoke to the CBI conference I have been impressed by the work you do, creating wealth, and giving young people an opportunity to succeed.

A few weeks ago, I talked about the challenges facing Britain and the idea of One Nation.

One Nation is an idea about how we share prosperity fairly.

But it is also about how we create the wealth.

It also offers a country going through tough times a shared long-term vision about how we will pay our way in the world and succeed as a nation.

With business, government and the British people working together.

There are so many issues that we could talk about today.

How we transform vocational education in this country.

So that you can be in the driving seat to ensure that Britain has the qualified young people we need.

How we can change our banking system.

So that small business can be the engine of job creation in this country.

How we reform corporate governance, so we can relieve the pressures on you of short-termism.

So that you can take the long-term view and create the sustainable wealth that Britain needs.

And how, even in the next Parliament, we can take the difficult decisions over the deficit.

So there is a huge range of issues that I want to have a dialogue with you on over the coming months.

But I want to talk to you today about one big issue facing us:

I am talking about our relationship with the European Union.

For around three decades, our membership of the European Union has seemed to be a settled question.

But you will have noticed, it is not any more.

Public scepticism about European Union has been on the rise for some time.

Some Cabinet Ministers in this government now openly say that we would be better off outside the EU.

And many of our traditional allies in Europe, frankly, are deeply concerned, because they think Britain is heading to the departure lounge.

Those of us, like me, who passionately believe that Britain is stronger in the European Union cannot be silent in a situation like this.

I will not let Britain sleepwalk toward exit from the European Union.

Because it would threaten our national prosperity.

Because it would make it far harder to build the One Nation economy that I believe in.

But above all it would be a betrayal of our national interest.

That's why I am devoting my speech today to the case for Britain remaining in the European Union.

But I also want to make that case in a new way.

A way that responds to the new challenges Britain and Europe faces today.

From European Ideal to Euro-Scepticism

Let me start by talking about the causes of Euroscepticism, because it's very important that we understand them.

The EU was awarded the Nobel Peace Prize.

To many in Britain today, it seemed almost absurd.

But to my parents' generation, it would have seemed well-deserved.

My mum and dad came to this country because of the terrors of the Nazis.

For them, Europe was a murderous continent.

A continent that had gone to war four times in only 130 years.

For many in their generation, the European Union was a noble ideal.

The countries of Europe seeking to put peace and prosperity in place of war and destruction through economic and political co-operation.

But time has passed.

The prospect for a new war between Europe's major powers has thankfully faded.

And that means the power of the founding ideal has faded with it.

But that is only part of the explanation as to why people's faith has waned.

My argument is that it's not just the fading of that ideal which has led to British Euroscepticism.

Nor can we put Euro-scepticism down to bendy bananas and bans on British chocolate.

There are real failures.

And I think that's what the pro-European side often needs to come to terms with.

There are twenty five million people without jobs across Europe today.

Five million young people across Europe looking for work.

The failures of the Euro shakes people's confidence in the whole European Union.

So do failings in the EU Budget, that often seems to match the priorities of the 1950s, not the 21st century.

And while enlarging the EU was good for Britain's strategic interest, frankly, the way that we handled immigration without transitional controls increased scepticism here in Britain.

Given all this, I don't think it is surprising that some people feel unhappy, even angry with the European Union.

And what has been happening in response from people who believe in the EU?

Too many have turned a blind eye to these failings.

Believing their understandable real passion for the case for Britain being in Europe should mean a passionate defence of the institutions of the European Union.

That can't be right.

The answer is not just to make the same old case for the European Union more loudly.

We need to argue the case in a new way, not simply assume it as an article of faith.

The New Case for Staying In

That case starts with our economy.

Let's not treat this as an argument of faith: let's argue the cause.

You know better than anyone about the importance of the single market.

A market of 500 million people.

Producing and selling one third of the world's goods and services.

And you take advantage of those opportunities every day.

It's where British businesses do at least 50% of their trade.

And then think about all of our aspirations for the British economy.

High-skills.

High-wages.

High-productivity.

All essential to a One Nation economy.

I think it's easier not harder to achieve that within the European Union than outside it.

Take our car industry.

Nissan, Tata, Toyota didn't come to Britain for a low-wage, low-skill economy.

They come to Britain because we offer a gateway to high-income consumers who want high-value goods.

And to make those high-value goods they invest in high-skilled jobs.

Take our high-technology clusters, like Tech-City in London and the Cambridge Cluster.

We have people from all over Europe coming here to be part of those Technology Clusters.

And they're attracting the best entrepreneurs, the most technically-gifted experts from across the world.

Because of the single market.

So I believe the economic case is strong.

But there is a wider case too.

There are problems in the world today that are simply too large, too complex, too international in scope for any nation state standing alone to deal with.

And to believe otherwise is just to hark back to a bygone age that is not coming back.

Just think about terrorism and organised crime.

They don't respect borders.

But the European Union helps us cooperate to tackle it.

And it works.

The European arrest warrant helped bring to justice those who tried to bomb London on the 21st July 2005.

Take climate change and energy – something the CBI has been passionate about.

I know from my time in government, that as Britain we represent 2% of global emissions, as Europe around 13%.

Negotiating as part of the European Union is easier not harder than negotiating alone.

And that applies to a whole range of foreign policy problems.

Ranging from sanctions on Iran to playing a role in the growing crisis in the Middle East.

And there is another strategic interest.

While the old idea – that my parents would have understood – of avoiding war between the great powers has passed, we do have an interest in an enlarged European Union.

Where countries seeking the benefit of economic cooperation are required to advance the cause of political freedom, free and fair elections and the rule of law.

And we're seeing it with some Balkan states as well.

The European Reform Agenda

So there is an economic, a political and a strategic case for Britain remaining in the EU, and we need to make it.

But there is an urgent imperative for us to reform the European Union so that it can help us compete and pay our way in the world.

Collective austerity is not working for working people across Europe.

And it is harmful for our ability to export and prosper.

A Labour government would seek to build alliances for a different approach.

A more pro-growth, pro-jobs approach.

And that applies to the European Budget too.

Agriculture makes up just 1.5% of the production of the European Union.

So it cannot be right that almost 40% of the EU Budget is still spent on the CAP.

I say that we need to build alliances for a comprehensive reform of the Budget.

Let's ensure more of the money is spent on public goods that help your business, like infrastructure, energy and innovation.

Some of the European Budget is spent on that but not nearly enough.

Think of what it could do for your businesses.

And while we're on the subject of the European Budget, let me say:

It cannot be part of a Pro-European position to support an automatically rising European Budget.

We also need to complete the single market.

Especially in areas which could benefit Britain, from digital technologies to energy.

And I know from my experience in government that the EU attitude to industrial policy feels woefully out of date.

In government, if the first question is how can government make it easier for business to compete and succeed, too often the second question is: will EU state aid rules allow this to happen?

All this needs to change.

That's an essential part of working together to build a One Nation economy at home.

The Alternatives

So that's the case for remaining within the European Union.

And reforming it.

But what about the case for leaving?

I think we need to take that case seriously.

Some will say Britain can stand alone in the world.

Like Norway or Switzerland.

Of course we could do that.

But we would be weaker, not stronger, as a result.

Those in favour of leaving the EU say we could still be part of the single market.

They may be right.

But who would set the rules?

Not us.

It would be those within the European Union.

We would live by rules that we have no say in making ourselves.

Still contributing to the EU Budget, as Norway does, but voiceless and powerless.

Unable to change the terms of trade.

And in or out of the European Union, we will be affected by whether the European economy is growing or not.

The best place for Britain is to be at the table, seeking to shape the economic direction of Europe.

Do we want to be inside the room?

Or do we want to guarantee ourselves a place outside the room?

And then think about the world trade talks.

If we left the EU, be under no illusions, it would be the United States, China, the European Union in the negotiating room.

Literally eating our lunch.

And Britain in the overflow room.

And we need to be absolutely clear about the dangers of that.

Of course, we should reach out to the BRIC countries.

But we have far more ability to do so as a member of a market of 500 million rather than just 60.

And how would Britain compete with the rest of the world if we were outside the European Union?

What would our equivalent be of Norwegian oil and gas or Swiss tax advantages?

Listening to some of those who advocate exit, I fear it would be that we would end up competing on low-wages and low-skills.

An off-shore low-value economy.

A race to the bottom.

That's not a future for Britain that we should contemplate.

Europe's Changes

Of course the European Union is changing.

Countries in the Eurozone are driving towards greater political and economic union.

They are on a different path from countries like Britain.

Britain is outside the Euro.

And will, in my view rightly, remain so.

But is that an excuse for leaving?

No.

I believe we must work to ensure that this more flexible European Union, where some countries pursue deeper integration and others don't, still benefits all.

We need to build alliances to ensure mutual respect between those inside the Euro and those on the outside.

And we know what that means:

Protect our voting influence.

Ensuring that we are part of the decision-making process that affects us.

And above all, ensuring a successful European economy.

Referendum

Now of course, we do not know exactly what the EU will look like after all these changes happen.

But the question for now is should we have a referendum now?

My answer to that is no.

As your businesses strive to come out of the worst economic crisis of our lifetime?

To spend our time now debating whether to exit the European Union would threaten recovery.

At this moment – when you are facing some of the most difficult economic circumstances of our lifetime – this is not the time for it.

Think about a business considering coming to Britain.

What would they think if there was a referendum now?

They would put investment in Britain on hold as they waited to see.

There would be instability in our economy.

And neither does it reflect the priorities of the British people.

Their jobs, living standards and prosperity.

Keeping Britain In

I am pleased to say that my party is united in the view that Britain is stronger in the EU than it would be outside.

And I give Nick Clegg and David Cameron credit for this – I think they do too.

But to do that, we must be clear about the right strategy for Britain.

To ensure that we do not drift toward the exit door.

The Conservative part of the current government tells us that what matters most is the repatriation of powers.

Of course, I will look at what they propose.

But here is my view on this:

Britain needs to keep its eyes on the prize:

Fighting for economic change and for influence in a changing Europe.

We cannot afford to use up our energies and alliances on negotiations that will not deliver.

Like seeking to opt out on Justice and Home Affairs to keep the sceptics happy.

And then opting back in to the European arrest warrant.

Just as with the veto that wasn't last December.

Increasing frustration and the drive to the exit of those at home, as people claim betrayal of what was promised.

And undermining our status abroad as they write off Britain as a serious player.

Taking us closer to the departure lounge.

It is the wrong strategy for Britain.

Conclusion

I know many of you, look upon the debate in Britain with deep and real concern.

Many of your businesses rely on our being in the European Union.

And I understand that many of you have concern about the drift of the debate over the last couple of years, and I share that concern.

I will fight your corner.

I will fight your corner for Britain to remain in the EU

And I will fight your corner to reform it.

And there is one more reason for resisting the call to exit.

About the character of our country.

Exit would not honour the traditions that have made Britain the great country it is.

It would undermine them.

Britain has always given so much to the world.

We have traded with others.

Not turned inwards.

We have opened up our country to new influences.

Not shrunk from them.

We have engaged with others.

Not stood aside from them.

An ambitious Britain has always been an outward looking Britain.

An inward-looking Britain, can never be an ambitious Britain.

Yes, reforming the European Union will be difficult, will require building alliances, will have its frustrations.

But I am certain it is better than leaving.

I believe our future lies within European Union,

I believe our future demands we reform the European Union.

Because I believe doing so will enable us to build One Nation here in Britain.

And that is why I commit to it today.