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European Union Committee

4th Report of Session 2006–07

**Evidence from the
Minister for Europe on
the Outcome of the
December European
Council**

Report

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Evidence from the Minister for Europe on the Outcome of the December European Council

1. It has been the Committee's practice in recent years to hear evidence from the Minister for Europe after each European Council.
2. Accordingly, in this Report we make available, for the information of the House, the oral evidence given to us by The Rt Hon Geoff Hoon MP, Minister for Europe, on the outcome of the Brussels European Council held on 14–15 December 2006.
3. The topics covered in the evidence printed below are as follows:
 - The Berlin Declaration (QQ 20–22)
 - Better Regulation (QQ 14–15)
 - Commission Reform (QQ 16–17)
 - Communicating Europe (Q 31)
 - The Constitutional Treaty (QQ 18–19)
 - Economic Migration (Q 13)
 - Energy (QQ 8–12)
 - The Enlargement of the EU (QQ 3–7)
 - The Financing of the EU (QQ 26–29)
 - Parliamentary Scrutiny During Co-Decision (Q 30)
 - The Prüm Convention (Q 25)
 - The Working Time Directive (QQ 23–24)

APPENDIX: RECENT REPORTS FROM THE SELECT COMMITTEE

Session 2005–06

Evidence by Commissioner Franco Frattini, Commissioner for Justice, Freedom and Security on Justice and Home Affairs Matters (1st Report, Session 2005–06, HL Paper 5)

Correspondence with Ministers: June 2004–February 2005 (4th Report, Session 2005–06, HL Paper 16)

Ensuring Effective Regulation in the EU (9th Report, Session 2005–06, HL Paper 33)

Evidence from the Minister for Europe—the European Council and the UK Presidency (10th Report, Session 2005–06, HL Paper 34)

Scrutiny of Subsidiarity: Follow-up Report (15th Report, Session 2005–06, HL Paper 66)

The Work of the European Ombudsman (22nd Report, Session 2005–06, HL Paper 117)

Annual Report 2005 (25th Report, Session 2005–06, HL Paper 123)

Ensuring Effective Regulation in the EU: Follow-up Report (31st Report, Session 2005–06, HL Paper 157)

EU Legislation—Public Awareness of the Scrutiny Role of the House of Lords (32nd bis Report, Session 2005–06, HL Paper 179)

The Brussels European Union Council and the Priorities of the Finnish Presidency (44th Report, Session 2005–06, HL Paper 229)

Annual Report 2006 (46th Report, Session 2005–06, HL Paper 261)

The Further Enlargement of the EU: threat or opportunity? (53rd Report, Session 2005–06, HL Paper 273)

Minutes of Evidence

TAKEN BEFORE THE SELECT COMMITTEE OF THE EUROPEAN UNION
TUESDAY 19 DECEMBER 2006

Present	Blackwell, L	Marlesford, L
	Bowness, L	Powell of Bayswater, L
	Cobbold, L	Roper, L
	Grenfell, L (Chairman)	Sewel, L
	Harrison, L	Thomas of Walliswood, B
	Kerr of Kinlochard, L	Wright of Richmond, L

Examination of Witnesses

Witnesses: RT HON GEOFF HOON, a Member of the House of Commons, Minister for Europe, Ms SHAN MORGAN, Director EU, and MR ANTHONY SMITH, Director European Political Affairs, Foreign and Commonwealth Office, examined.

Q1 Chairman: Good morning. Thank you very much indeed, Minister, for being with us today. It being the last day of business before the recess, I know you had absolutely nothing else to do!

Mr Hoon: I could not have imagined spending it in a better way.

Q2 Chairman: We are very happy you are here. Could we also welcome Anthony Smith and Shan Morgan to the table. As under our normal procedures: any time you want to invite them to participate in this, they are most welcome to join in the conversation. We gave you a list of questions which were written some time before the Council met although we knew what was on the agenda. We have of course had the advantage of either participating in or at least reading the report on the short debates on the two statements made in the Commons and the Lords yesterday afternoon and we also have before us the Presidency Conclusions. I expect you would like to make a statement, Minister, then we can go to questions.

Mr Hoon: I am perfectly happy simply to take your questions. I would describe the results of the Council as workmanlike. I think there are important practical decisions taken on enlargement, both, specifically, in relation to Turkey as well as the strategic impact of enlargement more generally. There is also a series of very practical issues concerned with climate change; energy; Africa; the globalisation agenda; justice and home affairs and migration. I think it was a very practical, hardworking Council that moved things forward in a number of areas in a very effective way.

Q3 Chairman: Thank you very much indeed. Perhaps I could begin on the question of enlargement. As you know, this Committee recently produced a report on future enlargement of the EU

and the lessons learned from the past, but let me focus for a moment on what happened in the GAERC and then in the Council. We were getting the impression from what we were reading and hearing that Her Majesty's Government felt there were some Member States which were pushing for far too draconian sanctions—sanctions not in the formal sense but “punishment” of Turkey—for the failure to implement the Ankara Protocol and that the United Kingdom felt that eight chapters was going too far. It seems that you were able to join the consensus in the end, but I am wondering what it was that made you feel you could live with those fairly severe measures taken against Turkey, given the fact that they were partly saying that they had been unfairly treated and also that public opinion in Turkey was suffering as a result of this kind of reaction from the Council. How did the United Kingdom come to join in that consensus?

Mr Hoon: In the first place, everyone, including the United Kingdom, was agreed that Turkey must live up to its obligations not only under the Ankara Protocol but more widely in relation to European law. That was the starting point of the discussion. I agree with you that there was a range of views as to what was the appropriate response of the European Union to Turkey's failure so far to meet its Ankara Protocol obligations. We judged that it was necessary to mark the fact that this had not been achieved, but, at the same time, we did not want to do that in a way that would have resulted in the negotiations being suspended or coming to a halt. Given that there are 35 chapters which have to be negotiated and those chapters are never negotiated simultaneously, it seemed to us that, in effect, suspending progress on eight chapters concerned with the implications of the Protocol, leaving those on one side for now but allowing progress to be made in the other 27 areas—

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progress that will have to be made in any event for Turkey to join the European Union—was not absolutely what we had initially argued for but, on the other hand, was an appropriate compromise, bringing together those countries which argued for much stronger penalties and including ours which primarily argued for a slightly lighter emphasis. As a compromise, we think this is a good result. It allows, crucially, the negotiations to continue.

Q4 Chairman: It is absolutely clear, is it not, Minister, with regard to those 27 chapters, that work can continue on them and they can be closed eventually. Some countries were saying they did not even want those chapters closed; they wanted to continue with them and not close them. Of course there is always the possibility of a veto from Cyprus on the closing of a chapter, but as far as the rest of them are concerned, that does go ahead and closure is possible.

Mr Hoon: Chapters are only ever provisionally closed in the language of the European Union and it will be conditional upon Turkey having implemented the Ankara Protocol. This process does require Turkey, as it must in any event, to open its ports/open its airports to traffic from all EU Member States. That is and remains a pre-condition. It is a pre-condition of closing each of the 27 chapters—at least, provisionally. It is part of an overall package that we believe is the right way forward, since it does allow significant progress to be made in the 27 areas but, equally, we will all be looking to Turkey to implement its EU obligations.

Q5 Lord Wright of Richmond: Minister, do you detect among our partners growing concern that Turkish resentment at the way negotiations are going will dampen enthusiasm for accession?

Mr Hoon: Clearly opinion polls in Turkey have shown falling support for membership, although, still, at the last poll I saw it was some 53 per cent, so there is still a clear majority. I suspect there are some domestic political issues in other countries, but all countries have signed up to negotiations with Turkey, therefore they have accepted in principle that Turkey should become a member of the European Union. That, again, was the case as a result of the conclusions of the European Council. No one is formally saying, “We are so unhappy with this process that we are backing off previous agreements”.

Q6 Chairman: Could I move on to the Western Balkans and to Croatia. We do understand that there is a general consensus that Croatia should be allowed to proceed on the path towards the future of the negotiations, but there still remains open the question of whether or not, if the time comes when

they have successfully completed the negotiations but the necessary institutional reforms within the EU have not been put into place, they could be included in the accession Treaty specifically for Croatia. The bottom line really is that we do not want to see Croatia held hostage to a failure on the part of the European Union to make the necessary institutional changes. There should be plenty of time, given that we do not expect Croatia to be ready before 2009–10.

Mr Hoon: An important aspect of the conclusion to the European Council in more general terms on enlargement was that it was accepted that each application would be treated on its own merits. That must imply that the timetable for each application should be treated on its own merits and the process should be considered quite individually. There is little doubt that Croatia, for example, is making steady progress on accession: two chapters out of 35 have been provisionally completed, a further seven have had opening benchmarks set, while six have been screened and found to need no opening benchmarks. There is real progress there. Anyone who has been to Croatia can see that progress on the ground. I anticipate that they can move pretty steadily, fairly quickly towards being in a position to become a Member of the European Union. I would very strongly welcome that.

Q7 Chairman: As far as the rest of the Western Balkans are concerned, as you say it is a matter of taking each case individually and seeing what progress they make, but are you satisfied that within the Council there is a true understanding of the great importance of the Western Balkans eventually finding their place in the European Union so that we have an area of stability there?

Mr Hoon: Given that very many Member States of the European Union have committed troops at various times to different parts of the Western Balkans, I think there is a clear understanding that a political solution to the problems of that part of Europe is crucial. A political solution would one day involve membership of the European Union. I am not putting a timetable on that. Some of those countries have a very long way to go yet to be the kind of functioning market economies governed by the rule of law and democratic principles that we would require. Nevertheless, the Council made clear that we see, in the long term, the future of these countries as being part of the European Union, as being part of the political solution that is necessary to resolve the problems of what was a very troubled part of the world not so very long ago.

Chairman: Thank you very much. I would like to come on to energy, which will have featured quite heavily in the deliberations of the Council.

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Q8 Lord Marlesford: Minister, there are 11 paragraphs in the Presidency Conclusions on energy and the word “nuclear” is not mentioned at all. Given that the Americans are very much back in the game with the US New Global Energy Partnership which was adopted in February of this year, and given that part of that is the international reliable fuel services programme, of which it is intended both France and Britain would be a part, and given that Westinghouse, which British Nuclear Fuel sold earlier this year, has this week been given an \$8 billion contract by China to build four nuclear stations, are you satisfied that Her Majesty’s Government is taking a lead on persuading Europe of the need for nuclear power as a means of plugging the energy gap?

Mr Hoon: I accept that energy has become increasingly important to the European Union in recent times and, crucially, energy security. In the Conclusions there is reference to the importance of ensuring a secure supply of energy across the European Union, with some reference to third countries, including one in particular, called Russia. As far as the European Union is concerned, it is not usually the case that the EU prescribes to Member States how they should meet their own energy needs and, thereby, the wider aspect of EU energy supply. The only area where you could say that, in a sense, the EU breaches that approach is in the encouragement that it gives to new technologies, to renewable energy, as a means of encouraging a degree of diversification. Generally speaking, the internal energy requirements of an individual Member State are for an individual Member State, including, therefore, nuclear. Where security is an issue across the EU, that is something in which the EU properly takes an interest. Moreover, where we want to encourage new sources of energy, like renewables, like the new technology opportunities, then that again is something that is referred to in the Conclusions. Overall, I do not think there is any particular requirement at this present stage for the EU to develop encouragement of, for example, nuclear power. That is not something that I suspect the EU would regard as being within its competence, certainly at the present time.

Q9 Lord Marlesford: Given that new technology was a central part of the Lisbon agenda, I find it hard you can say that, Minister. Here is probably the biggest single real contribution—wind power and things like that are political tokenism in comparison. Here is a real opportunity, and Britain and Europe look like losing out again to America.

Mr Hoon: I do not accept that for a moment. I am not quite sure what percentage of France’s energy is generated by nuclear. Eight-five per cent or something like that.

Q10 Lord Marlesford: It is 80 per cent and we are 20 per cent.

Mr Hoon: Eighty per cent. The technology is there and clearly has been successful as far as France is concerned, which is why I say it is a matter for each Member State to determine its precise mix. The overall picture of energy security for the EU is increasingly important—and it is right that we should concentrate on that. That is in no way suggesting that nuclear is not important. The UK Government has acknowledged that in its energy White Paper and it is something that we will want to take forward, but I do not think the EU is prescribing to Member States that nuclear is necessarily a part of the solution for each and every country.

Q11 Lord Kerr of Kinlochard: Following on from that, Minister, you spoke eloquently the other day—

Mr Hoon: Oh, dear!

Q12 Lord Kerr of Kinlochard: Well, you were applauding Angela Merkel, who was speaking eloquently about how the single market would only work if electricity flowed freely and we accept the concept of European champions, not just national champions, across the European Union for energy. I see that the European Council talked of the need to realise “an inter-connected, transparent and non-discriminatory internal energy market, with harmonised rules” and next time around the European Council will have a prioritised Action Plan to look at adopting. What role do you think should be played in energy security and the creation of this single market in energy by the application of the competition rules and State aid rules by the Commission and Court? Is that not the principal requirement, and is not the principal difficulty the doctrine of national champions which some are pursuing?

Mr Hoon: I strongly agree with the sentiment underlying that question because I think it is very much in the UK’s national interest that the single market is completed in a number of areas and this is probably the one where UK consumers could benefit from having a much more effective system of delivering, not least gas, on a European rather than a national basis. I think that is consistent with the way in which energy as an issue has gone from a middle-ranking place in the table of political issues of importance for the European Union to somewhere close to the leading spot, certainly as far as a number of countries are concerned. We certainly want to see the completion of the internal market and I think, therefore, it follows that the way in which the European Commission policies that market is a logical consequence of that. We have the right legislation in place in the United Kingdom. We will

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want to see that approach emulated elsewhere in Europe.

Chairman: Could we move on now to migration policy. As you know, Lord Wright chaired an inquiry into economic migration quite recently and published an excellent report. He has a question for you.

Q13 Lord Wright of Richmond: Minister, I really wanted to pick up your reference to the UK's national interest. Our report *Economic Migration to the EU* concluded that it was in our national interest that we should be as liberal as possible in allowing new entrants to the economic Union to migrate freely. We took, I think, a rather distinguished view in earlier accessions in allowing the new entrants to come to this country when some of our partners were very much more restrained about that. I know the Government has undertaken to review this in a year's time. Is there anything you can tell us, in the light of what, I hope, has been your reading of our report, on how you expect the Government to handle this question in relation to Romania and Bulgaria?

Mr Hoon: I broadly agree with the report. I think it was an extremely useful commentary on what has happened in the past, but we have always made clear that our judgments will be made in the light of the impact on the labour market. There were concerns, certainly at the lower-skill end of the spectrum, that at the present time a complete opening to workers from Romania and Bulgaria might not be appropriate, which is why we have the restriction as far as the low-skilled are concerned—although whether there are 19,000 people wanting to come from Romania and Bulgaria, given the statistics in the past, remains to be seen. Nevertheless, that is the limit that we are imposing. Equally, we made clear that we would review this after one year. We could have left it for two but we thought it right to indicate to Romania and Bulgaria that we were prepared to consider this as soon as we possibly could and we will look at the effect of the rules and the effect again on the labour market at that time.

Lord Wright of Richmond: Thank you very much.

Q14 Lord Harrison: Minister, I would very much like to ask you how satisfied the Government is with progress on the Better Regulation Agenda and what you think might be achieved in 2007, and, attached to that, about your comments concerning the desirability of completing the single market. Would you associate Commissioner Verheugan's comments that the failure to do so costs all of Europe—€600 billion, I think he concluded. Do you see there an echo of the Ceccheni report, which talked about these issues 10–20 years ago and that Commissioner Verheugan's comments are related to that single market being completed and are not related, as some

interpreters have said, to what is commonly called “red tape emanating from Brussels”?

Mr Hoon: In the first place, we very much welcome the Commission's ambitious target to reduce by 25 per cent the administrative burdens by 2012. We believe that will make a significant contribution to improving the competitiveness of EU business. As I am sure the Committee are aware, Chancellor Merkel has highlighted better regulation as a key component for the German Presidency in the first half of next year. We will certainly work closely, in the light of our own experience with better regulation in the United Kingdom, to pass on whatever lessons we have learned and hope that the Commission can realise that ambition. Over the years—and I speak as someone who has spent some time in dealing with European law—all legislation in all countries has got more complex, and, unfortunately, 25 countries contributing amendments to basic proposals outlined by the European Commission has necessarily produced a degree of complexity. I suspect, if I were an academic still, I would say, “Was it inconsistent with the way in which, historically at any rate, the idea of a directive was framed?” The idea of a directive was to leave it to Member States to implement the principles. It seems that in recent years each and every possible problem has sought to be anticipated, with ever more complicated legislation as a result. So, in simplifying the legislation—if I take the meaning of your question—a concern we must have, certainly on behalf of the United Kingdom, is that we do not then say somehow that this is a retreat from the principles of a single market, because it is necessary to have regulation in order to create that single market. The legislation should, if working properly, replace 25 potentially inconsistent sets of regulation that inhibit the operation of a single market by a single set of regulation at the European level. That is not a reason for that legislation being more complex, more onerous, more administratively burdensome to business than is absolutely necessary, but I think we do have to face up to the fact that it should be replacing inconsistent national legislation, if it is working properly.

Q15 Chairman: How big a problem is gold-plating in this country?

Mr Hoon: It is the same problem that I alluded to. We in the United Kingdom have always rightly been concerned about the quality of our legislation and that has led to greater complexity. I think a simple look at the number of inches occupied by Acts of Parliament in recent years, compared to, say, 10 years ago or 20 years ago, will demonstrate that each Act of Parliament is getting thicker as we try to anticipate all of the various problems that a complex modern society generates. As a result, sometimes, we probably are more ambitious than we should be in

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trying to anticipate every conceivable possibility that could arise in terms of the legislation transposing directives into our national law. Perhaps I may put it this way: I do not think that is just a problem of European legislation; I think it is problem of legislation generally. Trying to find a simpler and more straightforward way of passing laws that necessarily have the desired impact is one of the challenges which Parliament as a whole faces and not simply in relation to European proposals.

Chairman: Lord Bowness is a member of the Law and Institutions Sub-Committee. Perhaps he would like to put a question about institutional change.

Q16 Lord Bowness: Minister, the German Presidency, we know, has been given the task of holding in-depth discussions in 2007 with Member States, and submitting a report, presumably, at the end of their Presidency. However, I do note that the Presidency Conclusions of December say that the Finnish Presidency “provided the European Council with an assessment of its consultation with Member States regarding the Constitutional Treaty”. The Nice Treaty requires the size of the Commission to be reduced once membership is 27 and that to take place when the first new Commission comes into place (probably in 2009). Did you glean anything from the Finnish assessment or, indeed, from discussions as to what the Council’s thinking is on Commission reform? Indeed, what is the Government’s position on Commission reform? Presumably we have some ideas before we are asked by the German Presidency in 2007. Perhaps by way of an aside, just for clarification, would you be happy with a solution whereby the UK at some times did not have a Commissioner?

Mr Hoon: The starting point is that the UK wants the institutions of the European Union, including the European Commission, to be efficient and effective. Whether having a Commission of 27-minus (although it could well be 28-minus in due course) achieves that objective is something clearly that we would want to discuss. How we implement the Nice Treaty provision is also something that requires further discussion, not least in the light of indications—and I cannot put it any stronger than that—from some Member States that they would be reluctant to give up their Commissioner, so there is a great deal of debate still to be had in this area. I would emphasise, though, for the sake of completeness, that a number of smaller countries do see their Commissioner as being a vital safeguard, so any future negotiation is not something that I think is going to be necessarily straightforward to resolve. I know there was some discussions at the Council and perhaps I will ask Shan to explain what they were.

Ms Morgan: We understand there was a short oral debrief of heads, over dinner only, by the Finnish Presidency. They gave no particular detail, nor did they set out any proposals on a way forward. They had been unable to pull together any real consensus, so these were effectively only interim consultations and the in-depth consultations will start under the German Presidency.

Q17 Chairman: That is the impression, that the smaller States are particularly anxious that they should be allocated a Commissioner in the college because they feel this is one way a small State can get its voice heard. Are we not drifting away from the principle that Commissioners are not there to represent their countries, they are there to do a job? Was there any support for, or was it even raised, the proposal by Nicolas Sarkozy, a rather bizarre one, that the Commission President should be able to select his or own Commissioners?

Mr Hoon: Whatever other merits there might be in his proposals, that was one aspect that I can say quite clearly will not find favour with the British Government.

Chairman: That is clear enough. I am sure that has been heard by Nicolas Sarkozy. Does anybody else have any questions on institutional reform?

Q18 Lord Blackwell: Minister, the declaration contains the words that “the European Council reaffirms the importance of commemorating the 50th anniversary of the Treaty of Rome in order to confirm the values of the European integration process.” We know from press reports that a number of European governments are proposing bringing forward something close to the original Constitution and then having an IGC proposed in 2007–08 to discuss that. Given that the Constitution was never ratified in the UK, what is the UK Government’s position on what kind of new Constitution should be brought forward? How do you deal with those proposals?

Mr Hoon: I do not want to quibble with the terms of your question but the debate is essentially between those countries which have ratified and those countries which are still to ratify. Given that two of the original family members of what was then the Common Market failed to carry a referendum on the Constitutional Treaty, there is clearly a wide range of opinion that has to be addressed before we can achieve the necessary consensus. I set out some weeks ago the principles underlying the UK Government’s approach to these negotiations. One of the things I would emphasise is that, although quite often in this country the politics of the situation are seen from the perspective of a country that has not yet ratified, there are important politics in those countries which have. The position of those countries, like Spain for

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example, which held a referendum, where the government have said to their people, “We believe that this comprehensive package is the best way forward”, necessarily means that whatever solution we achieve has to address both the politics of countries that have ratified as well as those which have not. That is why this is going to be difficult. No one can pretend that a way forward is going to be easy or straightforward. We have been doing some thinking about the appropriate way forward and at the right time we will set that out to Parliament.

Q19 Lord Blackwell: Is it likely there will be some significant package, as opposed to what was previously thought about at the time of pause for reflection of small progress on particular items?

Mr Hoon: There are views around. To be fair, if we are going to balance one French presidential candidate’s views with another, there seems to be a slightly different view emerging from the *Parti Socialiste* as to the best way forward if Ségolène Royal wins the French presidential election. There are debates taking place in a number of countries, including this one, about the best way forward and I think it is important that we find a way forward but at the same time I cannot tell you at this stage what it is going to be—or even what it is going to look like.

Lord Blackwell: Thank you.

Q20 Chairman: Could we move on to the Berlin Declaration? What is going to go into that declaration seems to be a secret being guarded as strictly as the results of voting for Oscar winners. It seems to be shrouded in secrecy, except that every now and then our representative in Brussels enlightens us with a few tit-bits of information, perhaps that it has “now stretched from two four pages”, it has been “drafted by President Barroso”, or others say “it has been drafted by the President of the European Parliament”. We do not know. We would like to know two things, however: What would the Government expect the declaration to cover? Is it going to be an aspirational document or is it going to set out some kind of route-map? Secondly, will there be any chance for the national parliaments to make an input into this?

Mr Hoon: I do not think it is a secret, not least because I do not think it has yet been drafted: something cannot be kept secret which does not actually exist. I see some former senior civil servants shaking their heads at that!

Q21 Lord Wright of Richmond: I do not recognise your reply!

Mr Hoon: There are a number of principles that we would expect to see. First of all, I think it is appropriate that we should mark this historic event. It is right that it should be in Berlin, partly because,

in a sense, the original drafters of the Treaty of Rome prepared the Treaty with the experience of two World Wars in Western Europe, which undoubtedly influenced the way in which they saw the development of the European Union, and, equally, we should be marking not only the achievement of the original founders of the Treaty but also the fact that the EU has played a significant part in ensuring that former members of the Warsaw Pact and Soviet Union are now demographic countries observing the rule of law. The fact that the EU was there and provided a focus, a direction in which those countries should move, we should rightly record as an achievement, and therefore Berlin is the right place for this declaration. It is important, however, that the document should not be a shopping list of current concerns. I do not think we want a long, detailed exposition of all the immediate political priorities of the EU; I think we should be looking for a statement of the EU’s values, the principles that underline its existence and, if you like, the longer-term challenges that we face. I think it should be aspirational; it should not be “what we want to achieve this year in the European Union”. I hope, therefore, that we avoid a shopping list because I think that would be a mistake. I am sure that we would very much welcome parliamentary contributions. If the expert draftsmen around this table would be prepared to offer some words, I am sure we would very much welcome any contributions which this Committee or indeed Parliament as a whole will provide.

Q22 Chairman: Ideally, we would like, before this declaration is committed to parchment and beautifully illuminated, or whatever else they are going to do with it before it is presented, that we should know what it is planned should go into it and that maybe the Minister would care to come before this Committee with a draft and ask for our comments on it. If we do not know to what it is we are contributing, we may be simply sending along paragraphs that will not necessarily command the attention which our deliberations might command if you were first to come and tell us what you wanted to put into it and we could tell you whether we agreed with it.

Mr Hoon: All I can say in response to that is that I would be very willing to do that, providing the timetable of the process allows for us to meet and to provide that information. I hope that is enough qualification.

Chairman: I think that is enough qualification. We now come on, if we may briefly, to the question of the Working Time Directive. It is not mentioned in the Council’s Conclusions but it is a matter of great interest to us.

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Q23 Baroness Thomas of Walliswood: Obviously we see that discussion of the revision of the Working Time Directive is going ahead. It should come back in the spring European Council, if I have read the matter correctly—or perhaps before or after that. What is Her Majesty's Government trying to do in terms of revising the Working Time Directive? What are the allowances forming around these discussions? Is there any indication of where Her Majesty's Government's views receive support?

Mr Hoon: Our basic position is well known: on the directive we want to retain the individual opt-out, but, equally, we want to see a solution to the *SiMAP/Jaeger* court case and that has really been our approach in the negotiation. There has not been either a consensus or indeed a qualified majority because some countries are equally determined that there should not be an opt-out. Some countries appear to be more relaxed about *SiMAP/Jaeger* than, if I may put it this way, we think they should be. Trying to find a solution which achieves both of our objectives has so far eluded us. We would very much like *SIMAP/Jaeger* to be resolved. So far other countries have not given quite the same priority to that as we would like.

Q24 Baroness Thomas of Walliswood: When I said the spring conference, your expression, if I may put it like that, suggested that it might continue for longer than that.

Mr Hoon: I was simply reflecting on how long it has taken so far. If my body language gave away a certain degree of scepticism about the possibility of resolving this as soon as that time scale, that is probably about right.

Chairman: Could we move on to terrorism and the Prüm Convention?

Q25 Lord Wright of Richmond: Minister, there has been some reference to German shopping lists. I imagine that the Prüm Convention is fairly high on that shopping list. I do not know to what extent the Germans have yet pressed us on joining or signing up to Prüm, which I think has now been ratified by three countries. Can you tell us anything about our likely attitude to Prüm, particularly given our partial . . . “opt-in and opt-out” is the wrong expression, but our partial involvement in the Schengen information system?

Mr Hoon: I thought this question might arise. Therefore I will read out what my brief says so that you are quite clear as to the Government's position. “The Government is seriously considering signing up to the Prüm Convention and intends to enter into formal discussions with the existing signatories in the near future.” We are seriously considering signing up.

Lord Wright of Richmond: Thank you very much. That is very helpful.

Chairman: That was a very clear answer. Thank you very much, Minister. I would like to move on to the question of the financing of the European Union. Again, this did not appear in the Council discussions. There are two people who would like to put questions: Lord Cobbold, who is a Member of Sub-Committee A which is in fact conducting an inquiry into the question of Future Financing and Own Resources, and then Lord Kerr.

Q26 Lord Cobbold: Do you think that a revenue system based on a share of GNI is the right way forward and that it should supersede gradually, over time, the other three traditional Own Resources methodologies?

Mr Hoon: We are hoping, out of the review, for all of these questions to be considered, not only on the revenue raising side but also on the expenditure side, so we do want this to be a fundamental look at the way in which the EU's finances work. That is certainly one of the issues which would have to be looked at.

Q27 Lord Cobbold: Do you think the share of GNI is a fair system?

Mr Hoon: If I commit myself to answering that in the way that you frame the question, then I am indicating a particular way forward—which I do not think is appropriate at this stage. The review has not started; we are still thinking about the shape of the review; we want it to be comprehensive and fundamental. That will certainly be one of the issues that we examine.

Q28 Lord Kerr of Kinlochard: I do not think I need pursue this. It is clear that the Minister will be taking a steer from the comprehensive fundamental report that the Committee will be writing!

Mr Hoon: I look forward to reading it—sadly, not over the Christmas vacation.

Q29 Chairman: I was at the Joint Committee of the European Parliament and the national parliaments, on Mr Lamassoure's working group and one thing which struck us was that there had been quite a sea change amongst some national parliaments who had been pressing for a European Union tax, and there was absolutely no support for it whatsoever, as of the last meeting. The Portuguese Presidency and their national parliament is going to call a one item joint meeting of the European parliament and the national parliaments on the question of Own Resources during their Presidency. I know it is very difficult for you, as you have indicated in your answer to Lord Cobbold, to pre-judge the outcome of the eventual review, but one of the points that we put forward at a previous meeting when we discussed this was that

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there should be an independent panel of experts set up to make an independent contribution to the review process, rather along the lines of the Sapir report. It was greeted with some enthusiasm at our meeting last May but seems to have now disappeared off the radar screen. Do you have any knowledge of this and would you support the idea of an independent body of experts making a contribution to the review?

Mr Hoon: I can see no reason why such an independent body would not be helpful. There will be an application consultation paper on the review which in effect will start the process at some stage next year. I can see some advantages in having some independent input into that review process. I see no reason why such an organisation should not be established.

Q30 *Chairman:* Could we go on to this question of parliamentary scrutiny during co-decision? This is a question of pure process but there are concerns that the Government should eventually be in a position to propose enhanced arrangements for the parliamentary scrutiny of EU legislation during co-decision. We are wondering whether there is some progress on this.

Mr Hoon: There are two stages, it seems to me. As Leader of the House I put forward some ideas for a rather more comprehensive approach to parliamentary scrutiny. I am not sure what has happened to those proposals since I left that position. The more detailed point, though, is enhancing arrangements as far as co-decision is concerned. I hope to be writing to the Committees in the New Year formally seeking agreement to enhanced arrangements so I hope that can be agreed fairly quickly.

Q31 *Chairman:* Thank you very much. We have dealt with the Constitution already, so let us come to the last question, which is on communicating Europe. We are a little bit puzzled by the fact that your explanatory memorandum coming from the Government reflects agreement amongst Member States that there is “a need to reach beyond those sectors of the public that are already well-informed when providing information on EU issues” but then goes on to say that there are no financial implications for the United Kingdom. Does that mean we can participate in this valiant effort without committing any funds to it?

Mr Hoon: I think that was simply a response to the report by the Austrian Presidency and Council Secretariat. They summarised Member States’

responses to a questionnaire on information and communication activities during the reflection period. Since the document itself does not set out any specific proposals or specific activities, that was why we said there were no policy or financial implications for the UK as a direct result of the report. But obviously there are wider issues about communication and engaging the UK public, and the Foreign and Commonwealth Office have done a great deal of work in recent times, continuing to develop a website and working with outside organisations on communications. I have had regular meetings, for example, with the European Commission Office here in London, the European Parliament Office here in London, looking at ways in which we can discuss Europe more effectively. Perhaps I could summarise the approach that I think we have reached: it is that we should be talking much more today about the issues and perhaps rather less about the institutions, in the sense that we have touched upon a number of the questions today in this meeting. We are talking about energy, climate change, help for developing countries. None of those issues can properly be addressed today without there being a central European component and therefore I think it is important that we get across to people the way in which Europe addresses the policy issues and not simply see Europe in a box on its own. I made a visit, for example, to one of the RSPB’s reserves, not specifically because they get European funding for some of their work but because they have more than one million members and campaign very effectively on environmental questions. If one million people are interested sufficiently to join the RSPB and participate in those campaigns, and if Europe plays a central part in promoting wildlife habitats, then surely that is a way in which we can connect people and interest people in European issues. But the issue must come first. People do not join the RSPB because they are fascinated about the details of European institutions; they join it because it is an effective campaigning organisation wanting to protect our environment. That is the message that we really have to get across: the issues come first. We might have fascinating discussions about the institution but that is not something that terribly excites people in terms of the future issues.

Q32 *Chairman:* On that very positive note, I think we can let you go, Minister.

Mr Hoon: I am very grateful, as ever.

Chairman: Thank you very much indeed for coming, and your colleagues too. We wish you all a happy Christmas and a successful 2007 and look forward to seeing you after the next Council meeting.