

Address by Enrique BARON CRESPO, President of the Social Democratic Group in the European Parliament, to the House Committee on International Relations – Sub Committee on European Affairs, 25 April 2001.

Good Afternoon,

Let me first say that I am very grateful to the Committee for giving me the opportunity to speak. It is not often that Members of the European Parliament are invited to address a Committee so eminently important for the relationship between the United States and the European Union. As President of the Social Democratic Group, whose national leaders are in government in 11 out of 15 Member States, I am particularly pleased to be the first Group President of our House to speak to you since last November's elections.

Let me also say that I am particularly happy to be here because I believe that our two institutions will be increasingly frequent and important interlocutors in coming years.

I say this for two reasons. First, because – despite the occasional patch of fog in the Atlantic – the Transatlantic relationship remains the most important of all international relationships, both economically and politically. Europe is America's biggest market, biggest investor, biggest investment destination – as you are ours. And when it comes to promoting the national interests of the United States in the global arena, the European countries are as close to a like-minded ally as the US is ever going to get – just as you are for us.

Working together, the US and Europe have the greatest opportunity to bring some of the biggest international challenges a little closer to solution. And if there is now some uncertainty and soul searching on both sides of the Atlantic about the nature of our strategic partnership – neither of us really happy with our own current role; each feeling our expectations of the other are not being fully met. Then that is a wake-up call that we must make a closer Transatlantic dialogue a high priority, for our two legislatures just as for the Administrations of the USA and the European Union.

My second reason for believing that the House of Representatives and the European Parliament will be increasingly important interlocutors concerns the evolving role of the European Parliament in the European Union. As the EU continues to build and strengthen democracy, the role of the 626 Members of the Parliament, the only directly elected institution in the Union's decision-making triangle (with the Commission and the Council of Ministers), continues to grow. To put it bluntly, today almost all important EU decisions require the Parliament's approval and in almost 80 per cent of the Union's legislative work the Parliament and the Council of Ministers have equal powers of legislative powers.

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Co-decision was first introduced into the Treaty of Maastricht in 1992 to address the democratic deficit of the then European Community by ensuring a double legitimacy for EU legislation.

The reality of co-decision has increased Parliament's involvement in all stages of the legislative process. Gone are the days when Commission officials could draw up legislative proposals working only with the industries concerned and then present them as a fait accompli to Parliament and Council. The Commission now has to take notice of Parliament's positions in the drawing up of legislative proposals. It knows that the fate of that legislation is in our hands. And Member States in Council are now more willing to try to come to a deal before they reach a Common Position and sometimes even before the first reading in our House. Compromise with Parliament is now recognized as a pre-condition for effective legislation to be adopted and Presidencies of the European Union, which rotate every six months between the Member States, now seek early contact with Members of the Parliament in order to limit damage to the legislative calendar. For us openness and public scrutiny are the best recipe for good government; and the Parliament is a constant source of pressure for greater transparency in EU decision-making.

Many of the issues on the European Parliament's agenda have an impact on the issues with which you too are dealing, both domestically and internationally, but in this short presentation let me just say a word about four of the most important issues of this sort which currently confront us.

The single most important issue is certainly the enlargement of the European Union to Central and Eastern Europe, including Malta and Cyprus. I hear that some in the US are of the view that the European Union is not moving fast enough to take them on board.

Let me be very clear: We have a political and moral obligation towards these countries which, for most of the second half of the last century, were part of the Soviet bloc. They have a right to share the peace, freedom and prosperity that we have had the chance to experience over the past 50 years. But enlargement must not only be done fast; it must be done right – and with huge differences in living standards, political cultures, administrative capacities and social systems, the challenge of integration is immense. So it takes time. You all have vivid memories of the delicacy of the NAFTA negotiations. And now you have set a three year deadline to negotiate a free trade area of the Americas. We wish you well. But let me reassure you: Despite a number of thorny issues still unresolved accession talks advance well and the position of the Parliament is that we are ready to welcome the first new Member States and their elected representatives by the year 2004.

The second issue I want to mention is trade, and in particular the effort to launch a new multilateral trade round. The European Parliament does not have the

power of Congress to legislate on a detailed Trade Promotion Authority. But we have the Power of Assent on all international agreements with significant budgetary and legislative implications. And, as Members of Congress know well, the formal power of a veto at the end of a negotiating process gives rise to a considerable informal power in the earlier stages.

We are helped by the fact that Trade Commissioner Pascal Lamy is open and committed to genuine consultations. And he is a very regular and frequent witness before meetings of the European Parliament's Trade and Industry Committee, in addition to very many more informal meetings that our specialists in trade and related areas have with him. My own Group in the European Parliament has devoted close attention in the last 18 months to the prospects of a new multilateral Trade Round, to which we are committed. And the case for a new Round is still stronger today. Signs of progress here will give a powerful boost to international confidence and help avert the threat of recession.

But the terms for a new Round must be right. My own Group's position paper spells out clearly that a new Round must also mean a new direction for WTO, and must effectively tackle the issues of democracy, transparency, environmental and social standards, and the plight of the poorest countries in the world trade system which the EU has already begun to address through our 'Everything but arms' initiative for barrier-free access for all products from the least developed countries. I believe that many in US Congress share our priorities on these issues.

I cannot mention trade without also mentioning agriculture. I know that this is a major pre-occupation for many US legislators. As you will know, pressures for reform of the EU's Common Agricultural Policy have been building up for some years: budgetary pressures, the prospect of EU enlargement, the WTO commitment to negotiate further liberalization, and a growing public mood putting increasing emphasis on food quality and safety, environmental protection and animal welfare standards.

The Social Democratic Group, which I lead, is strongly behind the movement for reform, and again, we have set up a high-level internal working group to draw up proposals for reform, in order to influence the review process to which the EU is committed in 2002. Our WTO position paper, to which I have referred, already signposts the direction in which we want to move on trade-related aspects: away from production-related supports towards a more targeted support system, focusing on the non-trade public policy goals of environmental protection, rural development, food quality and safety and animal welfare. We want the opportunity to discuss this agenda with you.

Last but not least let me say a word about a Common Foreign Security Policy which, as you know, the European Union is only beginning to develop. My Group strongly adheres to the principles of common security based upon cooperation,

sustainable security, concentrating on taking away the causes of insecurity and democratic security meaning security in all its forms and expressions as the best guarantee for security. Our main priority is conflict prevention based on predicting the future by learning from the past and present. I think we need more and better capacity to do that.

Concern and sometimes criticism from this side of the Atlantic about the lack of European action in the Balkans for instance is understandable but misses the point. Europeans were never unwilling to "share the burden" – as Americans like to put it. They were, until now, simply not in a position to do so. You shouldn't underestimate the rich diversity of defence and security cultures and practices in our Member Countries. But we in the Social Democratic Group acknowledge and seek to draw upon this diversity of experience in formulating a policy and in development of the Common Foreign Security Policy.

Thank you, Mr. Chairman, ladies and gentlemen, for your attention.