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Part : 1

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TO : Prime Minister, Jonathan Powell, A Campbell, R. Liddle, Sir S. Wall

FROM : Denis MacShane MP

25 April 2002

Dear Tony,

Meeting with Göran Persson – A North Sea Modern Left Alliance?

I had a long talk with the Swedish Prime Minister, Göran Persson, on Tuesday night at the dinner he hosted following his International Conference on Peace, Justice and Conciliation at which I spoke.

He was in good form, ebullient, and very friendly eager to talk about Labour government politics.

He said he was 15-20 points ahead in opinion polls at the moment and was confident about winning a further term in the elections in September.

Recalling his speech to Labour Party conference in 1999 I suggested he came straight from winning big in Sweden on a modernizing, reformed social democratic platform and arrive in Blackpool as a winner and Labour's major political ally in Europe.

I also suggested we should look at producing serious theoretical left reformist ideas based on our respective government practices which Labour/SAP could put before the European left under the title of North Sea Social Democracy.

He was concerned about Le Pen and Jospin's defeat but saw it as a disaster foretold. It was bad news for Europe. The French had made mistakes with anti-American statements and pandering to vested interests.

He reckoned Schröder was under threat in Germany. "The SPD may lose but I think Schröder will hang on as Chancellor." The German election follows straight on the Swedish one in mid-September.

We had an interesting talk about the unions. The LO (Swedish TUC) has posters everywhere saying "We're proud but not satisfied" – i.e. the Government has delivered a lot but the unions still have demands. "Unlike Tony I have strong private sector and industrial unions who tell the public sector unions to back off because they know that their members do not want to pay higher taxes to fund wages for the public sector. This counter-balances what the public sector unions say."

Here are one or two other foreign political highlights from our talk. I was surprised at discussions with the top people in the Swedish MFA at their concern over Iraq and belief that Saddam was engaged in a serious WMD programme that would require action. Telegrams will deal with that.

- 1) Mid-East. Persson told me that he had made a television statement of support for Israel in strong terms and was worried lest the traditional pro-Palestinian politics in Sweden would react badly. "I think things are changing. There is more understanding for Israel now."
- 2) Arafat. Persson described how last Friday (19 April) he was sitting naked at the lake-side after his sauna. His mobile phone rang. It was Yasser Arafat from Ramallah. "He sounded very strong. Confident. Back in the driving seat. I have met him and heard him shaking as he talked. There was none of that." He added that he thought Bush had intervened too early with his "Enough is Enough" speech. Sharon and Arafat hate each other too much. There had to be external intervention via the Quart – US, EU, UN, Russia.
- 3) North Korea. Göran described Kim Jong-il as the "most impressive of all the Asian leaders I have dealt with. He was very well-briefed. We talked for five hours. He came over as dynamic, healthy, and laughed a lot. But he simply did not know what I was talking about when I mentioned human rights."

I asked him to order our current most famous Swede, S-G Eriksson, to ensure that England won the World Cup. "Can I remind you that Sweden is in the World Cup. I am looking forward to seeing Tony at the England-Sweden final!"

One final point on the dog that didn't bark. No-one mentioned the Euro although I had been heavily briefed on it. It is an issue and public opinion is coming round to support Swedish entry. The view is Persson will do it after the election, maybe spring 2003. The Krone is heavily devalued. Not long ago one French Franc was worth one Krone. Now you get 15 Krone to the £. So exchange rate issues are not a problem. But none of my political interlocuteurs, including Persson brought up the Euro issue in conversation.

I attach a copy of a full-page article (plus English original) I wrote for *Aftonbladet*, the main Swedish popular paper. It attempts to get over what we are doing in the Labour government pegged to the French elections. It follows on similar articles in the German, Swiss and Greek press.

your ever
Denis

Denis MacShane MP

After France the European Left must Reform itself

by Denis MacShane

The seismic shock of the Jean Marie Le Pen's success in France is a wake-up call to the left in Europe. He ran on a xenophobic platform that was anti-European, anti-globalisation and anti-Semitic and pushed the democratic left into third place. Jacques Chirac will win the second round of the French presidential elections easily. But the disaster for the left in Europe cannot be minimised.

The parties of the democratic left in Europe are at a cross roads. In Italy, Denmark, Austria, Norway, and Portugal the right has won power. In Spain, the socialist PSOE is stuck in opposition. In the Netherlands, Wim Kok's long hegemony is over. In France, Jospin's socialism has been humiliated. In Germany, there is a tough electoral contest facing Gerhard Schröder.

At the beginning of a new century the European left has to answer two questions. Why have the governing parties that only a few years ago appeared to be ushering in a new era of progressive government been removed from office? And secondly, what needs to be done to regain an élan for the democratic left and convince voters that the left can govern?

The loss of power for the left is the easier question to answer because we can examine the success of the parties that have kept the confidence of voters. In essence those parties of the left, like Jospin's *Parti socialiste* that have sought to sustain a defensive politics based on statist socialism or a coalition of existing status quo institutions of the left have not succeeded. Seeking to defend the past and to reject modernity condemns the left to self-destruction.

Where leaders of parties have embraced the past – because it is more comfortable or it is easier to agree to demands from old comrades – they have disconnected their parties from the needs of new generations, new material forces, new cultural aspirations, and new non-white, non-male, non-unionised Europe.

So today the historic parties of the European left have a new responsibility to redefine their mission and once again show a capacity for attracting a majority of voters. The new politics of the right are increasingly populist, chauvinist, and aggressively contemptuous of the concept that society exists, that inequalities should be combated or that communal or collective action in the public interest is worth promoting.

-2-

Britain is the most interesting laboratory in Europe where the new left politics are being tested. There are critics of Tony Blair's modern left approach to be found in Britain and elsewhere in Europe. Like Willy Brandt or Felipe Gonzalez in their time, Blair has shaped a new reformist left politics to add value to the old real existing Labour Party.

The old Labour Party was allowed to govern for relatively short periods during which key social reforms were undertaken. But because the old Labour governments were unable to construct a coalition of support beyond a narrow trade union base and because trade union demands grow with feeding the 20th century Labour governments in Britain only held office for a short time before the right returned to power. In contrast, modern British social democracy seeks a permanent reformism which is often uncomfortable for its supporters.

So what are main outlines of 21st century social democracy? First: a return of work to the workers. Workers without work becomes passive, dependant on state charity and open to populist appeals. In Britain, Tony Blair's modernised social democracy has produced the lowest unemployment of any major EU nation, lower even than in the United States. This requires reducing the barriers to employment created by old structures and encouraging the new job-creating entrepreneurial classes.

Second: a clear programme of social partnership. Since 1997, the TUC – Britain's trade union confederation – has identified 26 new laws or decrees that support workers and union rights in the workplace. This return of work to workers has empowered trade unions whose membership in Britain has grown to 8 million real employed union members

Third: a commitment to economic reform. The modern economy is based no longer on the production of things but the use of intelligence. It requires many not few economic actors. It needs to move from dead-end production based on subsidies or hidden protectionism to improve the quality and variety of goods and services by ruthless competition

Fourth: support for and reform of public services. Good public services lie at the heart of the contract between social democracy and the voters. Under Tony Blair Britain is the only major G8 nation to see a substantial increase in investment in schools and health services since 1997. There are 140,000 more public service employees in Britain today compared with five years ago. This year pay increases in

the public sector have been ahead of pay increases in the private sector. In the budget programme announced last week (17 April) Labour pledged a massive increase in health spending paid for by tax increases on the rich. Under British social democracy health is a public good not one to be controlled by private insurance companies or medical producer interests.

Fifth: a commitment to internationalism. The best of countries are the most internationalist of countries. Under Tony Blair overseas aid as part of government spending has increased by 45 per cent in Britain. Blair has committed Britain fully to European construction and works in close consultation with all Britain's EU partners. Jospin wanted a Europe à la française and failed to understand that Europe had to reform in order to become as dynamic and competitive as the United States.

The British and European left must avoid a simplistic anti-Americanism even if on many issues – Kyoto, steel protectionism, or the International Criminal Court – Britain wants the US to play by international rules. Yet without the United States, the Taliban would still be running Afghanistan. In the 1990s Europe let the Balkans turn into a carnal house of genocide and ethnic cleansing. European social democracy in the 20th century shied away from hard politics of global responsibility and the means to enforce international rule of law. But modern social democracy cannot limit itself to overseas aid and sponsorship of NGO conferences.

Twice now – in 1997 and in 2001 – the British voters have endorsed Tony Blair's attempt to define a new social democracy with specific British characteristics. Despite this success the European left has had a tendency to patronise or insult Mr Blair. We need a new dialogue between the parties of the European left to create a Europe of full employment with social rights and cultural independence. The left has to be more internationalist, more social, more interested in the future than the past. We need a new social democracy for a new century. The disaster of the failure of the Socialist Party in France makes this task all the more urgent.

Dr Denis MacShane is a Labour MP and a Minister in the British Foreign Office.

Jean-Marie Le Pen ställer Europas vänster inför en akut utmaning. Hur ska den alltmer populära och allt aggressivare europeiska högern bemötas? Storbritannien är det mest intressanta laboratoriet i Europa för ny vänsterpolitik. Aftonbladet Debatt publicerar i dag exklusivt en text av **Denis MacShane**, minister vid brittiska UD. Europeisk vänster måste göra upp med sin enkelspåriga anti-amerikanism och nedlåtande attityd till Tony Blairs försök till en ny socialdemokrati, skriver han.

JEAN-MARIE LE PENS chockerande framgång i Frankrike borde fungera som en väckarklocka för Europas vänster.

Med anti-europeiska, anti-globaliserings- och antisemitiska budskap lyckades Le Pen peta ner den demokratiska vänstern till tredje plats. Jacques Chirac kommer inte att ha några svårigheter att vinna den andra omgången av presidentvalet, men katastrofen för den europeiska vänstern får för den skull inte glömmas.

Den demokratiska vänsterns partier står vid ett vägskil. I Italien, Danmark, Österrike, Norge och Portugal har högern kapat åt sig makt. I Spanien är det socialistiska PSOE i opposition. I Holland är Wim Koks långa hegemoni bruten. I Frankrike har Jospins socialism förödmjukats. I Tyskland står Gerhard Schröder inför ett tufft val.

Nu, i början av det nya århundradet, måste Europas vänster besvara två frågor:

- 1 Varför har så många socialdemokratiska partier förlorat regeringsmakten? För bara några år sedan tycktes vi befinna oss i början på en ny era av progressivt styre.
- 2 Vad ska vi göra för att återfå entusiasmen för den demokratiska vänstern? Hur ska vi övertyga väljarna om att vänstern kan regera?

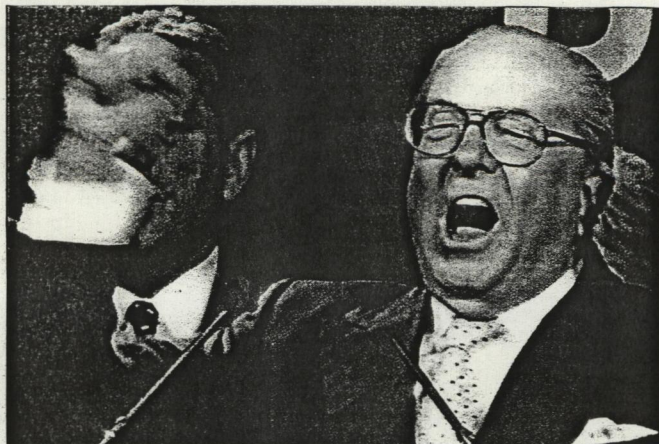
Förlusten av regeringsmakten går att analysera ganska enkelt - vi kan jämföra med de socialdemokratiska partier som har bevarat väljarnas förtroende. Misslyckandena hittar vi bland dem som, liksom Jospins parti socialiste, har upprätthållit en defensiv politik baserad på statsocialism. Detsamma gäller försöken att bygga koalitioner på ett existerande status quo. Försvar av det förgångna och motstånd mot modernitet leder till vänsterns självförstörelse.

Varhelst partiledare har omtännt det förlutna - av bekvämlighets skull. För att det är enklast att tillmötesgå kraven från gamla partikamrater - har man tappat kontakten med nya generationer, nya kulturella strömningar, och det nya icke-vita, icke-manliga, icke-fackanslutna Europa.

DE HISTORISKA europeiska vänsterpartierna har nu ett ansvar att omdefiniera sitt uppdrag och ännu en gång visa sin kapacitet att locka till sig majoriteten av väljarna. Högerns politik blir allt mer populistisk, chauvinistisk och aggressiv, med ett förakt för idéerna om att vi lever i ett samhälle, att ojämlikheter bör bekämpas och en gemensam, kollektiv handling för det allmännas bästa är något som är värt att uppmuntra.

Storbritannien är det mest intressanta laboratoriet i Europa vad gäller prov av ny vänsterpolitik. Det finns kritik mot Tony Blairs moderna vänsterhållning både i Storbritannien och i övriga Europa. Liksom Willy Brandt och Felipe Gonzalez på sin tid har Blair format en ny reformistisk vänsterpolitik som ökar värdet på det gamla labourpartiet.

Under de tämligen korta perioder som det gamla labour tilläts regera lyckades man genomdriva en del avgörande sociala reformer, men eftersom partiet inte var förmöget att bygga en stödkoalition bortom en snäv fackföreningsfär och eftersom fackföreningarnas krav ökade ju mer labour gav så kunde 1900-talets socialdemokrati endast behålla makten under



VÄCKARKLOCKAN Efter Le Pens framgång i det franska presidentvalet måste Europas vänster inse att det behövs en ny socialdemokrati för det nya århundradet, skriver brittiske ministern Denis MacShane.

Europas vänster måste vakna

korta perioder. Sedan återvände högern. Den moderna brittiska socialdemokratin, däremot, söker en slags permanent reformism som ofta är obehövlig för dess egna anhängare.

VILKA ÄR DÅ huvuddragen i 2000-talets socialdemokrati?

1 Arbetarna måste ha arbete

Arbetare utan sysselsättning blir passiva, beroende av statliga bidrag och motagliga för populistiska budskap.

I Storbritannien har Tony Blairs moderniserade socialdemokrati skapat den lägsta arbetslösheten bland alla de stora EU-länderna, till och med lägre än i USA. Detta kräver ett reducerande av de barriärer som hindrar nya arbetstillfällen från att bli till - barriärer som skapades

för ett gammalt system - och en uppmuntran av de nya jobbskapande entreprenörsklasserna.

2 Ett tydligt program för socialt partnerskap

Sedan 1997 har Storbritanniens fackföreningars konfederation (TUC) argumenterat för 26 nya lagar och dekret som stöder arbetarnas och fackets rätt på arbetsplatsen. Fokuseringen på att arbetarna måste ha arbete har stärkt fackföreningarna som nu har åtta miljoner medlemmar med arbete.

3 Ett engagemang för ekonomisk reform

Den moderna ekonomin är inte längre baserad på tillverkningen av saker utan på användandet av intelligens. Den krä-

ver många aktörer, den måste gå från dödfödda verksamheter baserade på bidrag eller dold protektionism till att förbättra kvaliteten och variationen i utbudet genom skoningslös konkurrens.

4 Stöd för och reformering av offentliga tjänster

Bra offentliga tjänster är kärnan i kontraktet mellan socialdemokrati och väljare. Under Tony Blair är Storbritannien det enda stora G8-land som ser en substantiell ökning i investeringarna i skola och hälsovård sedan 1997. Vi har 140 000 fler offentliganställda i Storbritannien i dag jämfört med för fem år sedan. I år har löneökningarna i offentlig sektor varit större än i den privata sektorn. I det budgetprogram som lades fram i förra veckan utlovade labour stora öknningar i resurserna till sjukvården, finansierade av skattehöjningar för de rika. I brittisk socialdemokrati är sjukvården en offentlig nytighet som inte ska få kontrolleras av privata försäkringsbolag eller läkemedelsföretagens intressen.

5 Ett internationellt engagemang

De bästa länderna är de som är mest internationalistiska. Under Tony Blair har biståndet till andra länder ökat med 45 procent, Storbritannien har åtagit sig att helt och fullt delta i det europeiska bygget och vi har ett nära samarbete med samtliga EU-partners. Jospin ville ha ett Europa à la française, han förstod inte att Europa måste reformeras för att bli lika dynamiskt och konkurrenskraftigt som USA.

Den brittiska och europeiska vänstern måste undvika den enkelspåriga anti-amerikanismen, även om vi på många punkter - Kyoto, den internationella brottsdomstolen, protektionismen i stålhandeln - vill se ett USA som följer internationella regler.

Men utan Förenata staterna skulle talibanerna fortfarande styra Afghanistan. På 1990-talet lät Europa Balkan förfalla till folkmoord och etnisk rensning. 1900-talets europeiska socialdemokrati undvek de svåra frågorna om globalt ansvar och vilka medel som krävs för att genomdriva internationell rätt. Men den moderna socialdemokratin får inte begränsa sig till bistånd till fjärran länder och stöd till NGO-konferenser.

Två gånger nu - 1997 och 2001 - har de brittiska väljarna gett sitt stöd till Tony Blairs försök att definiera en ny socialdemokrati med specifikt brittiska förtecken. Trots denna framgång har den europeiska vänstern ofta haft en nedlåtande attityd till Mr Blair.

Vi behöver en ny dialog mellan de partier som utgör den europeiska vänstern. Syftet för en sådan dialog är att skapa ett Europa med full sysselsättning, med sociala rättigheter och kulturellt oberoende. Vänstern måste bli mer internationalistisk, mer socialt engagerad och mer intresserad av framtiden än av det förlutna. Vi behöver en ny socialdemokrati för ett nytt århundrade. Denna uppgift har blivit än mer angelägen efter katastrofen i Frankrike.

Dr Denis MacShane
 Minister vid brittiska utrikesdepartementet
 Parlamentsledamot för labour
 Översättning: Henrik Karlsson





FROM: DR. DENIS MACSHANE
 LABOUR MP FOR ROTHERHAM
 HOUSE OF COMMONS
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From: Denis MacShane MP

Blair and European Left

Please find attached an article published on 16th March 2002 in the Frankfurter Rundschau – roughly the German equivalent of the Guardian – tackling the question : "Is Blair still part of the European Left?"

I attach for convenience a slightly updated and amended version of the article in English.

Denis MacShane

19 March 2002

Copy Jonathan
 Sally
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 Andrew H
 Rebekah
 Peter H

→ Denis MacShane FCO
 FAXED

This is an excellent article.
 Why don't you try to get
 it published (or some thing
 like it) in the New Statesman.
 As a reply to Robert Taylor

[Handwritten signature]

[zurück](#) **Rundschau**

Kann man Blair noch zur europäischen Linken zählen?

Ein Lob der aktuellen "New-Labour"-Politik in Großbritannien und Klarstellungen an die Adresse der europäischen Parteifreunde / Von Denis MacShane

Die sozialdemokratischen Parteien in Europa sollten sich die Vitalität der britischen Regierung unter Premier Tony Blair zum Vorbild nehmen, anstatt zu lamentieren, Blair mache keine "linke" Politik mehr. Die FR dokumentiert einen Beitrag von Denis MacShane, Labour-Abgeordneter im Britischen Unterhaus und Staatssekretär im Foreign Office.

Es besteht die Möglichkeit, dass Großbritannien um diese Zeit im nächsten Jahr der einzige große europäische Staat ist, in dem eine Partei der demokratischen Linken die Regierung stellt. Lionel Jospin und Gerhard Schröder können eine weitere Amtszeit gewinnen, und als Sozialist hoffe ich, dass sie an den Wahlurnen siegen werden. Doch die Wahlprognosen geben keine Garantie.

In Italien, Dänemark, Norwegen und Österreich ist die Linke aus der Regierung verwiesen worden. In Spanien blieb die PSOE in der Opposition. Großbritanniens Labour Party, unter der Führung von Tony Blair, ist eine Ausnahme. Im Juni 2001 hat Blair seinen Wahlsieg von 1997, der den Konservativen die größte Niederlage seit 150 Jahren bereitet hat, wiederholt.

Wo liegen die Gründe? Als Tony Blair sich vor kurzer Zeit mit Silvio Berlusconi, dem italienischen Premierminister aus dem konservativen Lager, getroffen hat, wurden Stimmen laut, dass er sich von der Linken gelöst hat. Die beiden Staatschefs kamen überein, Politik zur Wiederbelebung der europäischen Wirtschaft zu fördern. Italiens Linke sah das als einen Verrat an! Es wurden sogar Stimmen laut, die den Ausschluss von Tony Blair und der Labour Party aus der Sozialdemokratischen Partei Europas forderten.

Das macht keinen Sinn! Die Sprache, die in dem Abkommen verwendet wurde, ist die gleiche Sprache, die verwendet wurde, als Tony Blair Massimo d'Alema, Romano Prodi, Giuliano Amato oder andere Politiker der italienischen Linken traf.

Dennoch: Als Tony Blair in Rom eintraf, um Regierungspolitik mit Silvio Berlusconi zu besprechen, war dies ein Vorgehen, das vergleichbar war mit einem Treffen zwischen dem Sozialisten François Mitterrand mit der erzkonservativen Margaret Thatcher, das auch den Hintergedanken hatte, für Jacques Delors die Position des Kommissionspräsidenten zu sichern. Oder man denke an das freundliche Treffen zwischen Felipe Gonzalez und Helmut Kohl zur Gewinnung von deutschen Investitionen für die spanische Wirtschaft. Die italienische Linke attackierte Tony Blair und seine Partei wegen des Treffens mit Berlusconi, anstatt zu analysieren, warum sie es nicht bewerkstelligt haben, mit einer vereinten Mitte-links-Koalition eine Regierungsmehrheit zu errichten.

Diese kritischen Reaktionen sind nicht neu. Jede bedeutende Entwicklung der europäischen Sozialdemokratie wurde zur unverzeihlichen Kapitulation des Sozialismus vor dem Kapitalismus erklärt. Willy Brandt, Felipe Gonzalez und Olof Palme wurden als Modernisierer der Sozialdemokratie angegriffen und als Lakaien des amerikanischen Kapitalismus und Imperialismus beschimpft. Die Entscheidung, die Marktwirtschaft zu regulieren, anstatt sie zu enteignen, ist von der Sozialdemokratie vor Jahrzehnten getroffen worden.

Einige Gewerkschaften bekämpfen das Konzept der Flexibilität zur Schaffung von Arbeitsplätzen, anstatt es zu unterstützen. In den fünfziger Jahren haben sich die französischen Gewerkschaften ähnlich verhalten, als sie das Konzept der Produktivität abgelehnt haben. Das Konzept der Flexibilität heute, genau wie das Konzept der Produktivität gestern, ermöglicht eine effektivere Nutzung des Produktionsfaktors Arbeit und ist somit eine Herausforderung für die bestehenden Beschäftigungsstrukturen.

Heute haben Großbritannien, die Niederlande und Schweden, Staaten mit einer Interessenvertretung der Arbeitnehmer, die keine Angst vor der Flexibilisierung haben, die geringste Arbeitslosigkeit und die höchsten Beschäftigungsraten. Auf Grund dessen, sind diese Staaten in einer besseren Position, das sozialdemokratische Ziel eines gut ausgebauten öffentlichen Dienstes zu verwirklichen.

Arbeit steht im Zentrum sozialdemokratischer Politik. Eine Arbeiterklasse ohne Arbeit wird passiv, abhängig von staatlicher Unterstützung und anfällig für demagogische Appelle der Populisten. Die Rückgabe der Arbeit an den Arbeiter ist die wichtigste Aufgabe von New Labour. Großbritannien hat heute die niedrigste Arbeitslosenquote der G-8-Staaten.

Als einzige Gewerkschaftsbewegung können die britischen Gewerkschaften einen Mitgliederzuwachs verzeichnen. Im Vergleich zu den 800 000 organisierten Arbeitermehrnern in Frankreich haben die Gewerkschaften in Großbritannien acht Millionen zahlende Mitglieder. Nach Berichten der Trade Union Confederation, des britische Dachverbandes der Gewerkschaften, hat die Labour-Regierung 26 neue Gesetze erlassen, die die Rechte der Arbeitnehmer verbessert haben. Die so gestärkten Gewerkschaften sind unter New Labour in die Lage versetzt worden, nominale Lohnerhöhungen an Stelle von realen Lohnerhöhungen zu verhandeln.

Der Anstieg der Beschäftigungsquote hat zu einer Verbesserung der öffentlichen Dienstleistungen geführt. Seit Tony Blair das Amt des Staatschefs übernommen hat, ist die Zahl der Beschäftigten im öffentlichen Dienst um 120 000 Arbeiternehmer angestiegen. Zum ersten Mal seit zwanzig Jahren sind die Gehaltserhöhungen im öffentlichen Dienst höher als in der freien Wirtschaft. Unterm Strich gibt es unter New Labour mehr Arbeitsplätze, mehr Gewerkschaftsmitglieder, mehr Gesetze zum Schutz von Arbeitnehmern und Gewerkschaften, mehr Arbeitskräfte im öffentlichen Dienst und höhere Gehälter in diesem Sektor. Wenn das als ein konservatives Regierungsprogramm bezeichnet werden kann, dann haben diese Worte ihre Bedeutung verloren. Die gute Beschäftigungssituation bringt höhere Steuereinkünfte und geringere Kosten für Sozialausgaben mit sich und ermöglicht Großbritannien weit reichende Investitionen im öffentlichen Sektor. Großbritannien ist der einzige EU-Staat, in dem die Mittel des Staatshaushalts für Bildung und Gesundheit ansteigen.

Kein britischer Staatsbürger benötigt eine Privatversicherung, um seine Arztkosten zu decken, oder muss einen Vorschuss auf die Arzt- oder Krankenhausrechnung zahlen. Großbritannien ist ebenso die einzige G-8-Nation, die den Anteil des Bruttosozialproduktes, der in die Entwicklungshilfe fließt, erhöht hat. Dennoch behauptet die Linke, dass Tony Blair Großbritannien auf einen konservativen Kurs bringt.

In Großbritannien wurden große Investitionen in neue Museen und Theater in den Regionen gesteckt. Der Eintritt in Museen ist seit dem letzten Jahr frei - Uffizi und Louvre, bitte imitiert diesen Schritt! Sozialdemokratische Überzeugung in der Kulturpolitik wird, unter anderem durch neue interessante öffentliche und private Architekturprojekte, deutlich.

Zusammenfassend kann festgehalten werden, dass Tony Blair und New Labour eine neue materielle Politik, die auf Vollbeschäftigung und den Abbau von

Barrieren bei der Schaffung von Arbeitsplätzen ruht, verfolgt haben. Die neue Sozialpolitik basiert auf der Redistribution von öffentlichen Mitteln. Es entstand eine Kulturpolitik, die post-industrielles Wissen und Kreativität unterstützt, und eine neue internationale Politik, die die Erhöhung von entwicklungspolitischen Ausgaben und die Abschaffung von Handelsbarrieren, die die Entwicklung der Entwicklungsländer verhindern, favorisiert.

Ein weiterer Erfolg von Tony Blair ist es, sein Land an einen umfassenden Dialog mit Europa heranzuführen. Nachdem zwei Jahrzehnte lang ein bösartiger Anti-Europäismus die öffentliche Diskussion beherrscht hat, sieht Großbritannien sich jetzt als ein europäischer Staat, der in europaweiten Diskussionen partizipieren will. Die Linke, die ihre Macht verloren hat, zum Beispiel in Italien, muss sich fragen, warum die Wähler in Großbritannien Tony Blairs modernisierte Sozialdemokratie unterstützen. Anstatt Blair zu attackieren, sollte die Linke sich Fragen über ihr politisches Versagen und den Erfolg von New Labour und seinen Verbündeten in den Niederlanden und Schweden stellen.

[document info]

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[RundSchau](#)

Is Mr Blair Still Part of the Left in Europe?

By Denis MacShane

This time next year Labour Britain could be the only major European or G8 nation governed by a party of the democratic left. France and Germany go to the polls in the next six months. Although Lionel Jospin and Gerhard Schröder may win another mandate, and as a politician of the European democratic left I hope they do, the opinion polls offer no guarantee that in a few months time the ministers in Paris and Berlin will all be members of left parties.

In Italy, Denmark, Norway and Austria (and, now Portugal) the left has been evicted from office. In Spain, the socialist PSOE stays in opposition. The one exception is Britain's Labour Party under Tony Blair. In June 2001 he repeated his election victory of 1997, itself the biggest defeat for Britain's long-dominant Conservative Party in more than 150 years.

Why is this? For some, it is because Tony Blair has ceased to be of the left. This view was heard most recently in Italy when Mr Blair met the right-wing Italian prime minister, Silvio Berlusconi. The two men agreed to promote economic policies aimed at re-dynamising the European economy.

Many on the Italian left cried "Treason"! The TUC's John Monks, whose moderate language shuns such rhetoric, has also joined this chorus with his complaints about Blair's support for job-creating policies in the EU. There have even been calls for Blair and the Labour Party to be expelled from the Party of European Socialists. This is incoherent. The language used by Blair when he met Berlusconi was similar to that used when Mr Blair met Srs d'Alema and Prodi and Amato and other Italian government leaders of the centre-left. The German social democratic Chancellor, Gerhard Schröder, met Berlusconi recently and agreed common German-Italian positions without anyone on the German left finding this unusual.

Yet when Mr Blair arrived in Rome to talk government-to-government politics to Mr Berlusconi - an act no stranger than the socialist Francois Mitterrand negotiating with the arch-Conservative Margaret Thatcher to win the post of European President for Jacques Delors or Felipe Gonzalez making

friends with Helmut Kohl to promote German investment in Spanish capitalism – the Italian left could hurl abuse at Mr Blair and his party rather than analyse in detail its own failure to build a united left-led coalition capable of winning a government majority.

There is nothing new in this. Each major development of European social democracy has been presented as an unforgivable capitulation to capitalism. In their time, Willy Brandt or Felipe Gonzalez or Olaf Palme were attacked as social democratic modernisers or lackeys of American capitalism and imperialism. Willy Brandt was shouted down at a public meeting in London by left-wingers because he sided with the United States against communism.

The decision to regulate rather than overthrow a democratic market economy was taken by social democracy decades ago. French trade unions objected to the concept of productivity in the 1950s much as some trade unions today fight rather than harness flexibility to create jobs. Productivity then like flexibility now increases the effective use of labour in the economy and pose difficult challenges to existing patterns of employment.

Today, those labour movements whose governments are not frightened of flexibility – Britain, the Netherlands and Sweden – are those with the highest levels of employment and are best able to deliver social democratic goals of promoting public services.

The core of social democratic politics is work. If the working class has no work it become passive, dependent on state charity and open to demagogic appeals from populists. Returning work to worker is the supreme policy of democratic socialism whether in Britain or Europe. Today British unemployment is the lowest of any G8 country.

As a result Britain's trade unions are the only ones in Europe growing in members – 8 million compared to the 800,000 who are full active employees paying dues to French unions. In Germany four million public sector workers are banned from going on strike. Here, According to the TUC, the Labour government has passed 26 new laws in favour of workers' rights.

The newly empowered unions are able to negotiate real not nominal wage increases under Labour.

This increase in employment has benefited public service. There are now 140,000 more employees in the public sector than when Mr Blair became Prime Minister. For the first time in 20 years, pay increases for public service workers are higher than those for private sector workers.

So more work, more trade union members, more laws protecting workers and unions, more public service workers and better pay for them. If this is a right-wing programme then words have lost their meaning.

Because of the much higher tax revenue and much lower welfare costs that arise from the higher employment in Britain there is money to invest in public services. Britain is the only EU nation that today is increasing the share of GDP in health and education.

No British citizen has to take out an insurance policy or pay upfront a percentage of the bill to see a doctor or go to hospital. There are more students – British and from overseas – studying in our universities than in any European country. Britain is also the only G8 nation to increase its share of GDP going to overseas aid while the Foreign Office has launched a new programme to support trade unions' international work. And still the European left – or some TUC leaders - will sing the song that Mr Blair is driving Britain to the right!

The major investments in new art galleries or opera companies in the British regions, the abolition of entry charges into British museums – Uffizi and Louvre please copy! - and the exciting new private and public architecture now being commissioned reflect a social democratic commitment to cultural politics.

In short, Mr Blair and New Labour have invented a new material politics – based on full employment and abolition of barriers to job creation; a new social politics based on redistributive public spending; a new cultural politics based on supporting post-industrial knowledge based creativity; and a new internationalist politics based on increasing aid, support for global

workers' rights and campaigns to abolish trade barriers that stop the developing world from developing.

Mr Blair's other achievement is to lead his country to a full engagement with Europe. After two decades of a virulent anti-Europeanism Britain now sees its destiny as being a normalised fully-participating European nation.

The lefts that have lost power, as in Italy, need to ask why voters in Britain support Mr Blair's modernised social democracy. Instead of hurling abuse at Mr Blair they might ask deeper questions about their political failure and the success of New Labour and its allies in the Netherlands or Sweden.

Denis MacShane is a Labour MP and a Minister in the Foreign Office.

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Rle
bc SW
MDC(6)

From: Roger Liddle
Date: 25 February 2002

THE RT HON CHARLES CLARKE MP

cc: Peter Hain
Jonathan Powell
Sally Morgan
Rachel Cowburn
Francis Campbell
Nick Sigler (MBT)
Gisela Stuart MP
Bill Rammell MP
Arlene McCarthy MEP
Liz Lloyd
Geoffrey Norris

SPD-LABOUR JOINT WORKING PARTY: FOLLOW UP

At our meeting in Berlin on Tuesday 19 February, we agreed four pieces of follow up with the Germans:

1. Joint work on agriculture

I have asked European Secretariat officials for briefing on the Government's strategy for CAP reform. I will then convert this into a political paper.

You need to consider who will lead on our side. You will probably want to discuss this with Margaret Beckett, but I would suggest Larry Whitty who is very good at European things.

From Downing Street I am sure Liz Lloyd would like to be involved because of her interest in development issues. After discussion on our own side, you can send a revised paper to Weiczorek.

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2. Discussions on tax

You said you would raise with Gordon/Ed Balls the question of joint talks with Eichel's people on tax issues. There is an important opportunity here to deal constructively with a very difficult issue for us. I am drafting a letter (with some official input) that you might send to Gordon explaining what we think the Germans mean by 'tax principles'.

3. Joint work on public services and State aids/competition

You need to decide who will lead for us on this in this area. The lead Whitehall Department on these issues is the DTI. So you might first discuss with Patricia Hewitt. From Downing Street Geoffrey Norris would be the key person to involve. Together Geoffrey and I could do a note to forward to the Germans.

4. A meeting of Labour/SPD Convention representatives

We said we would try to organise this in Brussels. Gisela, as a member of the Convention Praesidium, should take the lead in setting it up, liaising with Peter's office to make sure it takes place when he can be there. She should probably first approach Klaus Hänsch as the German Social Democrat MEP also on the Praesidium.

Attached is a letter for you to send to Norbert setting out our plan of follow up action.

ROGER LIDDLE

DRAFT LETTER FOR CHARLES CLARKE TO SEND TO NORBERT WIECZOREK

We very much enjoyed our meeting in Berlin last week. Thank you for your hospitality. I do hope this will be the first of many productive meetings between our two parties.

What I found most encouraging about our discussions was our joint readiness to take forward work in clearly defined areas. I am writing to confirm to you what we agreed to do next.

First, I intend to discuss with colleagues who should represent us on our side in a joint Working Group on Agriculture. Once we have decided this we will get in touch again and send you a note with some of our ideas.

Secondly, I will discuss with Gordon Brown in what way we could usefully take forward joint consideration of tax issues.

Thirdly, we agreed to set up a Working Group on the question of essential public services and the application of the EU state aid and competition policies to them. Once we have determined our team I will let you know so that this Working Group can begin work.

Fourthly, we agreed that Labour and SPD Convention representatives would meet as soon as possible in Brussels. I have asked Gisela Stuart to take the lead in this and approach Klaus Hänsch as the German SPD representative on the Praesidium.

Once we have got this programme of work underway I hope we can organise another meeting in the late spring. I am asking Nick Sigler, our International Secretary, to be in touch with your people to fix a time when you could come to London some time in late May or early June.

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10 DOWNING STREET
LONDON SW1A 2AA

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From the Private Secretary

18 February 2002

Dear Mark

**MEETING WITH SOCIALIST PARTY CANDIDATE FOR PRIME
MINISTER OF PORTUGAL**

The Prime Minister met Eduardo Ferro-Rodrigues, the PS candidate for Portuguese Prime Minister, this afternoon for about thirty minutes.

The meeting was friendly and good-natured (although Ferro-Rodrigues at one point commented slightly sourly on the fact that the Prime Minister had seen Durao Barroso first). It achieved its main purpose of establishing a personal rapport and balancing the previous call by Durao Barroso. But it was not very memorable in terms of substance.

Portuguese elections

Ferro-Rodrigues said the gap between PSD and PS was closing. The PS was now only 1-2% behind in the polls. There were two televised debates to come (one between himself and Durao Barroso and one involving the leaders of all five parliamentary groups). He had an uphill task but not an impossible one. The opposition had got into trouble explaining how they would deal with the budget deficit.

Ferro-Rodrigues said there could be a period of political uncertainty in the event of a hung parliament. The PS had three clear criteria for potential coalition partners: they would have to be pro-European, economically responsible (which meant fiscal restraint) and committed to far-reaching social policies. The first two criteria ruled out a coalition with the other left-wing parties and the third criteria ruled out a coalition with the right. It was possible there would have to be a minority government, either by the PS or PSD.

The Prime Minister commented on the importance of striking the right note on the law and order issue. Ferro Rodrigues said this was difficult for the

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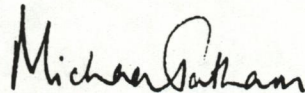
PS - memories of dictatorship meant that the Portuguese left retained a hang-up about robust measures in this area.

Barcelona Council

At Ferro-Rodrigues's request, the Prime Minister set out our approach on economic reform. Ferro-Rodrigues said he had read the Prime Minister's letter to Aznar on labour market flexibility and had no difficulties with its contents, although in practice it would be difficult for all labour laws in Portugal to be liberalised.

I am copying this letter to Dame Glynne Evans (Lisbon).

Yours ever

A handwritten signature in cursive script that reads "Michael Tatham".

MICHAEL TATHAM

Mark Sedwill
FCO

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Foreign &
Commonwealth
Office

London SW1A 2AH

15 February 2002

Dear Michael,

cc ✓
DM ✓
JPA ✓
JSW ✓
RL ✓
FC ✓
AC/press ✓
GVP ✓

Free

**Portugal: Prime Minister's Meeting with Eduardo Ferro-Rodrigues,
Socialist Party Candidate for Prime Minister, 18 February**

Eduardo Ferro-Rodrigues [pronounced Ferru-Rodriguesh, with the full surname to be used], the Socialist Party (PS) candidate for Prime Minister of Portugal, will call on the Prime Minister at 3.30 pm 18 February. This follows the call on the Prime Minister by the leader of the centre-right Social Democrats (PSD), Durao Barroso, on 28 January. The Portuguese media have used this to show Ferro-Rodrigues as quite literally trailing behind the electoral front runner.

Ferro-Rodrigues served under Guterres for six years as Minister for Social Services and as Minister for Infrastructure (a position he inherited following the resignation of the previous incumbent, Jorge Coelho, in the wake of the collapse of a bridge over the River Duoro in April 2001, which claimed 59 lives). Interestingly he has chosen to distance himself from Guterres in his campaign. He belongs to the Sampaio faction of the party. He is straightforward and to the point, but has so far failed to capture the public imagination. He was one of the most popular – if low profile - members of Guterres' government, but his left wing leanings may alienate voters in the centre. He was seen as third choice to succeed Guterres as party leader after JHA Commissioner Vitorino and Foreign Minister Gama both declined to stand for the leadership.

The real purpose of the meeting is to enable the Prime Minister to build up a good rapport with a potential Prime Ministerial colleague. It will also be a good opportunity to probe PS thinking on the Future of Europe, and on their view on the Convention's role. Ferro-Rodrigues will be interested in our views on financing enlargement and CAP reform, given the financial impact of the latter on Portugal. On the anti-terrorism agenda, the Prime Minister should stress the need for full implementation of the action plan agreed at the Special JHA and European Councils on 20 and 21 September. On wider JHA issues, we want Portuguese support for a firm push to the Tampere agenda under the Spanish Presidency. The Prime Minister should also take advantage of Portuguese pride in their association with and enthusiasm for the economic and social reform agenda (they are keen to see it prosper and are allies in the reform process, although traditional Portuguese thinking tends to

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place particular emphasis on the social aspects), and emphasise the need for Portugal to do all she can to ensure the right result at Barcelona, and throughout the Spanish Presidency. Ferro-Rodrigues might also be interested to hear the Prime Minister's view on Africa, following his recent visit, and on Afghanistan.

Ferro-Rodrigues will also wish to discuss his prospects for the elections on 17 March. Opinion polls continue to point towards Durao Barroso's PSD securing the most seats, but in the past few days their lead has been cut to only 1-2%. It is increasingly likely that neither of the main parties will achieve an outright majority. The President is not bound to appoint the leader of the largest party, and has indicated that he might ask the leader of the party polling the second highest number of votes to form the government, provided it can achieve a majority in coalition with another party. His stated objective is to ensure a stable government at a crucial time of European reform. Since the PS, the President's party, is likely to come second in the election results, an attempt to implement this proposal would likely draw much criticism (his proposals have already stimulated much debate among constitutional experts). However, Ferro-Rodrigues reportedly told a group of bankers recently that he would not enter into a coalition with the Communist Party (without the Communists, the PS would have little hope of forming a government). This looks like an attempt to reassure business that the PS would be in a position to carry out badly needed economic reform (which otherwise might be blocked by the Communists).

... The economy is the central theme of the election. Poor economic management was the main underlying reason for the anti-PS vote in the local elections on 16 December which led to the resignation of Prime Minister Guterres. (Lisbon telno 17, enclosed, provides a synopsis of the current economic difficulties facing Portugal.) Whoever forms the next government will face a major task in arresting Portugal's economic difficulties and attempting to reform public finances and administration. This was highlighted by the fact that Portugal narrowly avoided an early warning under the Stability and Growth Pact for its high budget deficit. The Prime Minister might want to ask Ferro-Rodrigues about his policy. What are his plans for getting expenditure under control?

Yours aye.
[Signature]

(Mark Sedwill)
Private Secretary

Michael Tatham Esq
10 Downing Street

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FCO PLEASE PASS TO FSA

SUBJECT: PORTUGAL: THE ECONOMY AND THE ELECTION

SUMMARY:

1. Portugal deserves any Commission warning for failure to confront the requirements of the Stability Pact. A formal wrap across the knuckles may help a future government carry through a tough reform programme which addresses a bloated public sector and the reality of commitments rather than the present virtual approach. An assessment of the economic situation.

DETAIL

2. The resignation of Prime Minister Guterres was precipitated by the poor showing of his Socialist Party (PS) in the local elections on 16 December. But the main underlying reason for the anti-PS vote was the Guterres government's poor management of the economy, and particularly its failure to control public expenditure. The economy will figure large in the forthcoming election campaign.

3. Portugal's current economic problems stem in part from its success in achieving first-round EMU membership. Meeting the convergence criteria led to historically low real interest rates, which stimulated consumption and led to growth rates of over 3percent in the late 1990s. There was a corresponding increase in private indebtedness, which grew five times between 1990 and 2000. The interest rate fall also reduced public debt payments and allowed Portugal to follow an expansionist budgetary policy and still meet the Maastricht criteria.

4. The economy faltered in 2001, for which growth is expected to have been less than 2percent. Inflation rose to 4.4percent on the back of generous wage increases and close to full employment (the unemployment rate is still around 4percent). The growth in private consumption since the late 1990s has sucked in imports, leaving Portugal with a huge current account deficit (about 10percent of GDP in 2000 and expected to be much the same in 2001). With Portugal a euro member, this has not provoked a foreign exchange crisis, but it has caused unease about imbalances within the economy. Rising labour costs, limited productivity gains and punitive tax changes have affected the competitiveness of the economy and been reflected in low levels of direct investment (in 2000 and 2001, Portugal was a net exporter of investment funds).

5. While these imbalances give cause for concern about the Portuguese economy, the one issue which stands out in political terms is the management of public finances. In headline terms, the government is seen to have failed to meet its own projections, and its Stability Pact commitments, on reduction of the budget deficit. The government estimate for 2001 is a deficit of 2.2percent of GDP (as against a Pact commitment of 1.1percent). The current projections for 2002 are for a budget deficit of 1.6-1.8percent, against a Pact commitment of 0.7percent. A balanced budget in 2004 looks all but unattainable, as the Governor of the Central Bank admitted to me recently.

6. The government rightly carries the blame for the budgetary problems, irrespective of the slowdown in Europe. The main charge is that they have failed to carry out the structural reform necessary to control the growth of public expenditure. In high spending service departments such as health, reform is desperately needed and expenditure is unconstrained. More generally, they have also failed to prune the size - and cost - of the public administration, which is inflated by generous wage settlements and pension arrangements. These failures date back to the late 1990s, when strong growth and low interest rates allowed the government to stay just within its Stability Pact commitments without structural reform. The squeeze of 2001 has left them stranded, with an already bloated public sector, lower than expected revenues, and no room for manoeuvre. Meantime, publicly-funded organisations from the armed forces to the national opera live hand to mouth, without certainty from month to month as to what funds they will receive from allocated budgets.

7. The main opposition Social Democratic Party (PSD) is likely to make economic management the centrepiece of its campaign. In his first full statement on economic policy, the leader of the PSD, Durao Barroso, has said that he would reform the public administration, improving the quality of services while reducing

the quantity of resources expended. He would reinvigorate the privatisation programme, and reform state enterprises such that all but the public service elements were run along strictly business lines. He has also pledged to attack the 'jobs for the boys' culture which pervades the public sector. He has already promised immediate cuts in basic rates of personal and corporate taxation and has said his aim is a tax environment as competitive as any in the EU. He has also committed himself to convergence with the EU by achieving real growth rates 2percent higher than the EU average.

8. He has, as expected, been sharply critical of the record of the Guterres government. In particular, he claims that the real public deficit for 2001 is not 2.2percent of GDP but 5percent. He accuses the government of off-budget trickery and misleading of the Portuguese public. He claimed, following his meeting with Prodi on 21 January, that if an incoming government found that public debt figures were out of line with those sent to Brussels, "we shall have to renegotiate the Stability Pact with the European Commission". The response of the new leader of the PS, Ferro Rodrigues, has so far been low key. He has confined himself to generalities on the need for budgetary discipline, more direct investment and increased competitiveness, but at the PS party congress last weekend he committed himself to the objective of a balanced budget in 2004.

COMMENT

9. There is a growing sense among the business community and the wider public that Portugal is in danger of losing ground economically. It is no longer closing the wealth gap with its EU partners, is being challenged as a low-cost producer by eastern Europe and north Africa, and is in need of a strategy for addressing the Iberian market and its economically powerful neighbour. The public expenditure problem is seen as symptomatic of muddled economic management and a lack of vision for the country's medium-term economic prosperity. Any new government will need to overcome inertia, a built in resistance to change and an extensive set of entrenched interests - from public sector workers to powerful bankers and businessmen - if Portugal is to meet its commitments in reality rather than virtually.

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Added to DCoin Box

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From: Roger Liddle
Date: 14 February 2002

PRIME MINISTER

cc: Jonathan Powell
Sally Morgan
Alastair Campbell
Robert Hill
Rachel Cowburn
Stephen Wall
Dr Denis MacShane MP

STATE FUNDING OF EUROPEAN POLITICAL NETWORKING

Denis chaired a meeting this week, with Charles Clarke and Peter Hain inter alia, to take forward the idea of establishing a European Policy Trust. This would be funded from the FCO budget and its purpose would be to promote party to party networking principally within the EU.

Denis presented us with the attached paper, which points out that the FCO already fund many different types of networking, directly and through the British Council - though political parties are a notable absentee from the present list.

The idea is to start modestly with a £250,000 fund that would be allocated to the political parties on the basis of votes cast at the previous General Election. It would be administered by the Westminster Foundation for Democracy. The money would be spent on facilitating party-to-party meetings and policy exchanges, attendance at Conferences etc. It would cover the costs of travel, accommodation and interpretation.

Charles Clarke strongly endorses Denis's proposal, as does Peter. They believe, as do I, that the absence of funding for such networking has been a major barrier

to the development of your step change policy. Charles is seeking to take this forward by agreement with David Davis and Tim Razzal (for the Lib Dems), both of whom he believes could well be sympathetic. At official level, the FCO may have some natural reservations, both on grounds of money and controversy. But costs would be relatively small (the FCO spends £22m pound each year simply on travel for its officials) and cross party agreement would defuse controversy. At this stage all Charles and Denis need to know is that you are broadly sympathetic to this initiative.

Denis would also like you to encourage Robin to liberalise the rules that govern European Parliamentary travel by MPs. Before John Kerr retired, he persuaded Jack that easier travel for MPs is the solution to the problem of political step change. In my experience, this is only 30% of the case. The biggest constraint we face is that the political parties do not have the resources to fund joint policy groups and joint initiatives from their own resources (for example, the excellent "Ditchley" interchanges we have established between German and British social democrat MPs). But the House rules could nonetheless be liberalised to enable MPs who want to specialise in European affairs to travel more. Denis has prepared a draft resolution for the House, which is attached. It would enable three trips a year to be permitted. Would you want to encourage Robin to do this?

Signed : Roger Liddle

15/02/2002



ROGER LIDDLE

From: Denis MacShane

Date: 14 February 2002

Cc: PS/PUS
PS/Ministers
Charles Clark
Nick Sigler
Ivor Caplin
Rachael Cowburn
Roger Liddle
Phyllis Starkey
Chief Clerk
Fraser Wheeler

To: Secretary of State

Support for Political Networking in Europe

I think we have found a solution to the question of how the FCO can meet the PM's challenge of increasing parliamentary/party "Step Change" activity in Europe.

We had a good meeting today with Charles Clarke, representatives from No 10, Whips, Step Change MPs and Millbank.

We agreed on two proposals:

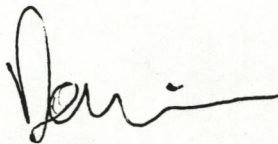
- 1) That the leader of the House would be asked to table a solution increasing the number of European travel possibilities for MPs. Charles Clarke has discussed this with his opposite numbers in the Conservative and Lib-Dem parties and they support this. Shadow Foreign Ministers have been informally told as has Eric Forth and no-one is raising objections.
- 2) That the FCO would find £250,000 from different sources to put into a "European Policy Trust." Subject to Westminster Foundation for Democracy (WFD) agreement, this would be administered by the WFD allocated pro-rata to political parties to organise European networking, invite MPs to the UK etc. Each bid from a party would have to be approved by the WFD and full details would be published in the WFD report. This way there is full transparency and parliamentary accountability for the moneys spent

I attach supporting papers but in essence we believe both proposals help advance the UK government and FCO goals of increasing influence and gaining partners in the policy

making centres of Europe. I stress Europe is not just the EU as this proposal covers all Europe.

I hope this can be pushed through reasonably quickly. It has No 10's strong support. There may be some media flack but this is an all-party deal and builds on the model and example of the WFD and the Future of Europe Trust set up by the Conservatives.

Best regards

A handwritten signature in black ink, appearing to read 'Denis', with a long horizontal flourish extending to the right.

Denis MacShane

DRAFT

Extending European Travel Without Adding To Parliament's Budget

Draft Resolution to be tabled by Leader of the House. This extends European parliamentary travel so that MPs can chose to go to an EU institution or to a national parliament in Europe. A total of three trips per year would be permitted. The money is ring-fenced so as not exceed the existing budget already voted. Given that only about 100 MPs take up the existing travel privilege that leave 80 per cent of the budget unspent. Therefore there is no new money involoved.

That the Resolution of 26 May 1999 relating to travel by Members to European Community Institutions and EU Capitals be rescinded.

That, in the opinion of this House, provision should be made as from 1st March 2002 for reimbursing Members in respect of the cost of travelling on parliamentary duties between the United Kingdom and any European Union institution in Brussels, Luxembourg or Strasbourg and twice per year to the national parliament of another European state and any additional expenses necessarily incurred in such travelling, subject to the limit that

(1) the amount payable to a Member in any year, beginning with 1st April, shall not exceed the aggregate of

(a) the cost of three return business class airfares for the journey on the assumption that the journey begins and ends at a London airport and that the destination is any of the three cities mentioned above or the location of the national parliament of a European state; and

(b) twice the corresponding civil service class A standard subsistence rate for the time being in operation; and

(1A) a Member must submit in advance to the Fees Office a statement of the visit's purpose, location and duration and the persons or organisations to be met; and

(2) expenditure in pursuance of this Resolution within financial year 2002-2003 shall not exceed the total currently planned for expenditure on travel by Members to European Union institutions or European national parliaments within that year.

European Policy Trust

- 1) One of the best invention of the FCO in recent years has been the Westminster Foundation of Democracy, the Know-How Fund and the Future of Europe Trust.
- 2) All contributed to the advance of FCO goals – creating a network of support for UK foreign policy and encouraging a partnership approach to global and European challenges.
- 3) The new driving force of foreign policy is the range and extent of our networks.
- 4) Trade Partners UK is an example of forward thinking by the FCO. Significant resources are given to companies and consultants to advance commercial networks.
- 5) The FCO since 1997 has also provided increased financial support for NGO networking, recognizing rightly that NGOs can promote British interests by supporting democracy and human rights and anti-poverty work, all of which help reduce conflicts.
- 6) The biggest FCO network of all remain its officials who spend £22 mn a year on travel.
- 7) The FCO spends £400 mn on public diplomacy – all but £11 mn going in grant-in-aid to the BBC and the British Council – itself a an excellent networking operation.
- 8) We spend £2.6 mn on bringing overseas visitors to the UK aiming to create a network of pro-UK influence.
- 9) But we have an excellent source of potential networks to promote FCO goals and advance UK foreign policy interests which now need some help.
- 10) UK political parties at NGOs with excellent contacts around the world and especially in Europe. They know the young rising leaders before embassies can spot them. As we battle in Europe to advance UK foreign policy goals with our EU partners the role of the linked political parties to the main UK parties is vital.
- 11) The Prime Minister initiated his “Step Change” programme in 1999. This was based on a bi-lateral programme with EU partners at the ministerial, official and party-parliamentary level. The PM identified rightly that handling EU relations

through the prism of Brussels was insufficient. The Step Change programme is working well but the FCO now needs to give the PM's vision more support.

- 12) Ministers and officials can visit as they wish and invited back to the UK ministers and officials paid for by their own governments. But MPs and political party representatives have no budget for travel. I secured a change in 1999 to the rules on MP's travel to allow a trip to an EU national capital. But this does not allow any invitations to be extended to key policy-makers in political parties nor does it allow UK political parties to develop their networks of contacts to promote UK interests.
- 13) We suffer as a result in a serious knowledge deficit about how Europe works and how the UK can interact with Europe. Clearly different political parties will have different position or groups within parties will have their own point of view. But overall it is no use having the most expert of ministers and officials if the vast bulk of our MPs including those deciding or influencing party – hence existing or future – government policy have insufficient exposure to Europe.
- 14) **I therefore propose that the FCO, following the example of the WFD, the K-H Fund and the FET creates a small European Policy Trust from which political parties could draw down resources. I propose that we reprioritise from the Overseas Travel Budget, the Category Visits Scheme and from the Public Diplomacy budget to put a total of £250,000 in the EPT. The EPT will be administered as part of the WFD and its moneys will be allocated to parties on the same pro-rata basis as the WFD allocation. All requests will have to be approved by the WFD but the working assumption will be that political parties can exercise authority over the moneys allocated to them and will be accountable to the WFD and through the WFD to Parliament.**
- 15) I also propose that the Leader of the House be invited to table the attached resolution which will increase the number of European visits for MPs within existing voted budgets.
- 16) I understand that contacts have been made with other political parties and while we may expect some small media flak I believe most MPs and serious commentators will accept this proposal as a contribution to advancing UK interests and FCO goals by creating more knowledge about Europe and extending a new network of interest for the UK.

(Denis MacShane 12 February 2002)



From: Rachel Cowburn
Date: 13 February 2002

JONATHAN POWELL
ROGER LIDDLE
SALLY MORGAN
ROGER LIDDLE
ANDREW ADONIS
ROBERT HILL
PATRICK DIAMOND
CHARLES CLARKE

cc: Stephen Wall
Michael Tatham
Geoff Mulgan

PROPOSED LOCATION OF PES CONGRESS IN 2004

1. Who pays for it?

- If this were to take place, the Labour Party would need to finance approx. one third of the total cost. The Berlin Congress in 2001 cost the SPD between £92,000 and £154,000 (I understand that the SPD contribution to the PES would have been between £90-100,00 but that they had other additional costs e.g. staffing on top of this). Individual parties finance the travel and accommodation costs of their delegation. In Berlin, the technical costs e.g. stage set-up, IT, video screens, lighting etc were covered 50% by the host party and 50% by the PES Group.
- The national Party sometimes hosts a reception for all delegates. In Berlin it was planned to charge about £3 per delegate but this fell through. If going ahead, we would need to decide whether we wanted to host such a reception and if so if whether we would charge for this.
- Usually, the PES Parliamentary Group pays for the interpreting costs as they have a Group meeting directly after the Congress.
- Security - bound to be heightened following September 11th. Would this be a Home Office expense?

2. How many people would we be talking about?

- The number of delegates is approx. 2-300 but this grows to about 1,000 when visitors, press, ex-officio staff, Leaders and their entourages and affiliate/observer parties are included.

3. Would we want to consider cutting this down?

- There is concern in the PES Secretariat about the cost of the Congress both in financial and organisational terms. If deciding to host it, we could suggest reducing the number of delegates/visitors or the Congress itself.

4. How long does it last?

- Berlin lasted from approx. midday Monday to 13.00 Tuesday. The PES Group meeting started Tuesday afternoon.

6. Who would organise it?

- The PES Secretariat in Brussels has a 'Co-ordination Team' and are responsible for the technical and political preparations for the Congress. Nick Sigler usually attends the meetings they hold.
- Decisions concerning the Congress are also made at the pre-Council Leaders meetings e.g. discussion of draft manifestos/declarations.
- The Party would need to organise finding the venue and all the strategic aspects around the venue e.g. information desk for participants, buses to get participants to any reception etc.
- How much the Party is involved would obviously depend on how involved the sponsor was i.e. would they just provide financial support or organisational too? The relevant party regional office would probably be involved.
- I would suggest that if we decide we want to pursue this, we should set up a steering committee to help prepare for the Congress with people from NO 10, Millbank, the PES and the EPLP. This would cover not only logistical arrangements but would also feed into the political questions e.g. what should the theme of the Congress be? (Berlin was "Safety in Change", which was the name of the current SPD document) or what do we want the roundtables to be about?

7. Where could it be held?

- London may not be the natural answer. Many take for granted that it will be held in Scotland but we may want to consider regional centres, Manchester/Birmingham etc. Main criteria is that it must have an international airport.

8. What happens at the Congress?

- As this will be a European Election Year, it is likely that the PES manifesto will be adopted at the Congress. There therefore probably wouldn't be any need for a declaration as such.

- Normally all Leaders gather on the stage for the opening. Bi-laterals and press conferences are also held before or after the opening. Pre-Congress Leaders lunch in Berlin.
- Various roundtables cover specific subjects with panellists, giving introductions, reactions and then opening to general debate. Parties asked to express a preference for which round table they want a panellist and to nominate a named speaker to be called during the debate.
- Prior to the Berlin event, there were some discussion groups on the Sunday and study (tourist) visits later on in the week.

9. Political pros and cons

- With Robin as PES Leader, it is expected that the UK hosts the Congress at some stage.
- No time will ever be a good time but does 2004 fit into other time-scales?
- If the timing is right, it could show us as engaging with our European partners, whilst underlining the UK as a driving force in shaping European policy.
- A problematic European manifesto would result in negative media attention. We would have to ascertain how much influence we have over its writing.

10. Sponsorship

- I understand that previous Congresses have had business sponsorship before and from my soundings, this wouldn't cause any ideological problems.
- However, should we wish to go ahead, we would need to double-check this (in reality, there seems no alternative to sponsorship).
- We would, of course, need to be sensitive about who we chose and the presentation of logos etc – particularly in the current political climate.

11. Way forward

If the decision to proceed is made, the way forward could be to:

- Arrange an 'in principle' discussion with the General Secretary with those who participated in the meeting on the 29th January (details from Patrick).

Should this meeting go ahead, we would need to discuss:

- Possible companies to approach for organisational/funding support (through a proper bidding process), if we go down this route.
- How big we would want the Congress to be
- Setting up a Steering Committee

Rachel Cowburn



S.

100: 304
Jfo

Secretary of the Cabinet and Head of the Home Civil Service

From the Private Secretary

MICHAEL TATHAM

cc Helen Ghosh

You asked whether civil servants could draft for the Prime Minister an article on the fight against terrorism for the Yearbook of the Party of European Socialists.

2. Sir Richard's view is that this should be handled on the Party network. Paragraph 58 of the Ministerial Code states that civil servants should not be asked to engage in activities likely to call into question their political impartiality, or to give rise to the criticism that people paid from public funds are being used for Party political purposes. Civil servants could however check any article produced on the party net for factual accuracy.

lu

ANDREW ALLBERRY

07 January 2002

CROYLEY
heritage



Memo

To: Roger Liddle **From:** Nick Sigler
 International Unit
 The Labour Party

cc: **Date:** 31 January, 2002

PES YEARBOOK

Please find attached letter to TB as discussed, together with background information about the Yearbook.

→ ~~Richard Lamburn~~
 • return.
 Are you aware of this?
 Can we discuss how best
 to take forward?

Nick

R.

abgef. 16/11 ju



www.spoe.at

Dr. Heinz Fischer
Stv. Vorsitzender

Prime Minister
Tony BLAIR
Leader of the Labour Party

Millbank Tower
London SW1P 4GT
U.K.

Fax: 0044-20-78021201

*Prime Minister,
Dear Tony.*

Vienna, 15th November 2001
Dr.hfi/gm

The Presidium of the Party of European Socialists (PES) has, in its meeting on June 26th 2001, taken the decision to annually publish a "Yearbook of the PES", starting with the year 2002.

The motive for such a book is to create an additional "European platform" for a political debate on issues of importance for us and to promote and broaden the discussion on them.

Within the PES-Presidium, I have been entrusted with the preparations for the Yearbook.

In the following, I have presented a working concept for the publication to the Presidium in its meeting on 30th October 2001, and this concept found general approval. The next step is, therefore, to approach the different personalities which we have foreseen as authors and ask them for their contribution to the PES-Yearbook 2002.

In this sense I wish to address you now, inviting and asking you to contribute an article to this first PES-Yearbook on the issue of "The Fight against Terrorism". This title is, of course, a working title which we have chosen in view of the whole concept of the book (and for which we have tried to make a fair, broad and representative selection of issues and authors). If you wish to choose a different title or to write on a different issue, please let me know.

As for the length of your article, it should not exceed 250 lines (8 pages in print) and the text should be submitted in English. In order to ensure a publication of the book in spring 2002, we would need your text by the end of January 2002.

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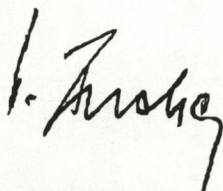
For your information, I enclose the concept of the book as it was submitted to the PES-Presidium as well as the provisional list of authors/contributions (which might of course in details still be modified or completed). Contact person in my office is Susanne Gaugl, phone: +43-1-4011-2456, e-mail: susanne.gaugl@parlinkom.gv.at.

I hope very much that you will be ready to make a contribution to this important publication and that we will succeed together in producing an interesting and useful first PES Yearbook.

Thanking you in advance for your support and cooperation

I remain

Yours sincerely,



Heinz Fischer

January 29, 2002

PES YEARBOOK 2002**Provisional list of articles / authors**

(The titles are first working titles. Not all authors have confirmed yet. **Confirmed names and articles are in bold print.**)

Heinz Fischer**Editor's remarks****Robin Cook****Introduction: The Role of the PES for the
Development of Europe****Antonio Guterres****Social Democracy in a Globalized World**✓ **Enrique Barón Crespo****The Role of the EP in an Enlarged Europe**

Javier Solana**Security for Europe****Tony Blair****The Fight against Terrorism****Rudolf Scharping****Europe's Global Responsibility - The Consequences
of September 11** received**Giuliano Amato****USA - EU - Russia: The Emerging Strategic
Setting and Its Uncertainties** received**Ruairi Quinn****European Security - a Voice from a Neutral Country**
received

Günter Verheugen**European Social Democracy and the Process of
Enlargement****Klaus Hänsch****The Enlargement Process and the European
Parliament**

Henri Nallet

Common Agricultural Policy

Milos Zeman

The Enlargement Process - a Czech position

Leszek Miller

The New Policy of Poland

Laszlo Kovacs

Social Democracy in Hungary (or Hungary before the elections)

Algirdas Brazauskas

Europe and the Baltic Countries

Jacques Delors

My Vision for Europe's Future

Neil Kinnock

Perspectives for the Future Development of the European Commission

Göran Persson

Sustainable Development - a European and Global Goal

Paavo Lipponen

The European Union's Role in International Organisations

Trinidad Jimenez

The Enlarged Europe - a Strong Actor on Global Level

Alfred Gusenbauer

Social Democratic Perspectives for the European Welfare Society

Frank Vandenbroucke

Social Europe: an Operational Perspective

Fritz Verzetnitsch

The Importance of Strong Trade Unions for the Europe of Tomorrow

received

Lene Jensen

Next Stop Democracy - How to Secure Public Support for European Cooperation

Borut Pahor

Henri Nallet

Common Agricultural Policy

Milos Zeman

The Enlargement Process - a Czech position

Leszek Miller

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Borut Pahor

Representative of ECOSY **Expections for the Europe of Tomorrow**

Fiorella Ghilardotti/PES Women **On the Way to true Equality**

Thorbjörn Jagland **Norway and the European Union**

Lena Hjelm-Wallén **The Contribution of the European Forum for
Democracy and Solidarity to the
Development of Central and Eastern Europe**

Akis Tsohatzopoulos **The Situation on the Balkans**

Jan Marinus Wiersma **A European Perspective for the Balkans**

Ivica Racan **A Strategy for the Balkans -- from a Croatian
Point of View**

Zarko Korac **The New Yugoslavia**

Martti Ahtissari **Strenghtening the United Nations**

Jorge Semprun **Culture, Arts and Cultural Diversity in Europe**

Anthony Beumer **The Structure of the PES and Future Developments**

Further PES-Vice Presidents (or an other representative of their party) to be asked for contributions of their choice:

Jean Asselborn/Luxemburg

Elio di Rupo, Belgium

John Hume/N-Ireland

Yiannis Omirow/Cyprus

Vienna, 16th January 2002
sg/gm**PES-Yearbook 2002****Progress report for the Presidium of the PES****1. State of preparations and further procedure:**

In its meeting on June 26th 2001, the Presidium of the PES took the decision to annually publish from now on a "Yearbook of the PES", starting with the year 2002. Heinz Fischer was entrusted with the preparations for the first yearbook, and presented to the Presidium in its meeting on 30th October 2001 a concept for the book as well as a provisional "table of contents" (articles focusing on three priority issues: Enlargement, 11th September and Consequences, Future of Europe; personalities to be asked to write on these and a few other subjects). By mid-November letters were sent out to all those we wanted to win as authors, with the request to send articles in English until the end of January 2002.

Until today, we have received confirmations by approximately half of the personalities contacted, and we have received already three completed articles. An updated version of the list of articles/authors is enclosed. We ask those Presidium members who have not confirmed yet to let us know the title and the date when the article can be expected. The other personalities asked for contributions will be contacted once more in the following days.

Deadline for the acceptance of articles is 15th February 2002! In the course of February the texts will be prepared for lay-outing by Tony Robinson (proof-reading; shortening of texts if necessary, etc.) and then passed on to the designer of the PES in Brussels, who will do the lay-out of all texts to appear in the book as well as of the cover. In the second half of March at the latest the yearbook should go in electronic form to the printer (printing house in Vienna). By the end of April, the printing process (incl. final lay-out, proof-reading, etc.) should be finished. The books will then be sent out to the member parties and organisations as well as all others having committed themselves in advance to buy books, and we could start with the **public presentation and promotion of the book (May 2002)**.

2. Technical details:

- Size: ca. 320 pages: ca. 35 articles à max. 8 pages as well as annex (most important PES-documents: congress declaration, reports, etc.)
- Paper back, DIN A 5, cover in four colour-print

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> Number of copies: 3.000

of which, according to the concept presented by Heinz Fischer, at least 1.400 are to be bought by full member parties of the PES, 10 by each associated and observer party (total: 200 books), 181 by the Group of the PES and hopefully also some by PES organisations (PES, ECOSY, Group/Committee of Regions) 1.000 would be purchased by the "Policy Network" in Great Britain (see partners), and the remaining copies should be sold to bookshops, libraries, etc. 1 free copy goes to each author of an article

3. Financing:

Calculated production costs/copy: € 6

Total production costs for 3.000 copies: € 18.000**Income:**

Given that the PES has no special budget-line for the book, we have – as foreseen in the concept presented by Heinz Fischer – to finance the projects partly by contributions of the **member parties and organisations, who commit themselves to buy a certain minimum number of copies each.** (Key: full members- five times the number of delegates the respective party has at a PES-Congress, associates and observers - 10/each; Group of the PES – 1 for each MEP)

Total: 1.781 à € 6 = € 10.686.

The other share of the production costs and possible additional expenses (postal charges if necessary translation costs, etc.) is to be financed by other sources of income (partners, sponsors):

Heinz Fischer will try to get 2-3 sponsors to pay for 1 page-advertisements in the book; and sponsors from other countries are welcome.

4. Partners/Supporters:

As one partner we have won the British "Policy Network", which has already cooperated with the PES and some of its member parties at previous occasions and is involved in the progressive governments and political forces initiative (see their homepage: www.policy-network.net for further information). It has agreed to purchase 1.000 books at production prize (6.000 Euro) and distribute them to its network of international contacts (politicians, academics, universities, etc.). This would not only

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ensure part of the financing but also contribute to promote the book with a larger public. The Policy Network has in addition offered to organise a launching event for the Yearbook in London.

Additional support, in particular from the Group of the PES, would be most welcome.

5. Presentation to the public and promotion of the PES-Yearbook:

In the following a few proposal for the Presidium to discuss and decide:

- Presentations in Brussels and Vienna with Robin Cook
- Launching event organised by the Policy Network together with the PES and/or the Labour Party. A possibility would be to combine this event with a seminar or round table on one of the priority issues of the book
- Presentations in different countries, to be organised by the respective member party in cooperation with the PES - possibly also in connection with a seminar or round table.

Annex I of the Concept of the PES Yearbook

Books to be purchased by PES member parties

Party	Total number of delegates at PES Congress/Berlin:	Number of books:
SPD	35	175
Labour - UK	32	160
Party socialiste - F	28	140
PSOE	26	130
DS - I	22	110
Partido socialista - P	15	75
PASOK	14	70
SPO	13	65
PvdA	12	60
SAP	11	55
SD	9	45
SDP	9	45
DNA	9	45
Labour Party - IRL	8	40
Parti socialiste - B	8	40
Socialistische Partij	7	35
POSL	6	30
Movement of S.D. - Cyprus	6	30
SDI - I	6	30
SDLP	4	20

Total: 1400

14 Associated Parties	4/each	10/each, i.e. 140
6 Observer Parties	2/each	10/each, i.e. 60

Total: 200

Group of the PES - EP	2	1/MEP, i.e. 181
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TOTAL: 1.781

Women Standing Committee	1	20??
ECOSY	2	20??
PES-Corn. of the Regions	2	???

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From: Roger Liddle
Date: 10 December 2001

PRIME MINISTER

cc: Jonathan Powell
Stephen Wall
Alastair Campbell
Sally Morgan
Jeremy Heywood
Robert Hill
Michael Tatham
Martin Donnelly, CO
Justin Russell
Geoffrey Norris
Francis Campbell
Rachel Cowburn
Sir Nigel Sheinwald



LAEKEN EUROPEAN COUNCIL: PES SHERPAS

PES Meeting

I attended the PES Sherpa meeting in Brussels this morning. The key figures from the Belgian Socialist 'cabinets' were present and they gave us a read out of their understanding of Verhofstadt's plans.

The opening session on Friday morning will cover 11 September follow up, foreign policy issues and European defence. He does not want another discussion of the European economic situation on the grounds that this was fully debated at Ghent. No controversial issues flagged up. Lunch afterwards will be non-political with the King.

The afternoon will be taken up with trying to sort out a number of tricky 'dossiers', most notably:

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- (i) new policy guidelines for asylum and immigration: the Presidency intends to put forward a new proposal, perhaps on Wednesday;
- (ii) European arrest warrant: by standing out against the painfully constructed EU consensus, Berlusconi has dug himself into a real hole against the advice of Ciampi, Ruggiero and Fini. Verhofstadt is in daily contact, telling him that his only choice is 'take it or leave it'. The Belgians are talking of going ahead on the basis of reinforced co-operation, (which I think we should support) but recognise Italy would still block this pre-Nice ratification if they wish. Berlusconi's protests about the dangers of "red judges" stand to make him the laughing stock of Europe. The Belgians believe any concession to Berlusconi on the arrest warrant would undermine the fragile consensus among the 14. Berlusconi would be looking for an improbable face-saver: Amato as Convention President or Parma as the site for European Food Agency. This could be a huge media story at the Convention. "Italian Prime Minister resists arrest warrant to protect the Mafia and himself". Very damaging for Europe's credibility.
- (iii) European patent: Verhofstadt wants to break the present deadlock. The Belgians have tabled a paper at today's GAC. Good for economic reform, if he can pull it off;
- (iv) Introduction of Euro notes and coins: Finance Ministers will be present to mark the imminence of this historic event. The only point of substance is that the Belgians want a reference in the Conclusions to pulling together all the European economic and employment related policy processes into a

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coordinated decision line that culminates in the annual Spring 'Lisbon agenda' Council. A good idea;

- (v) Enlargement: the Belgians believe there is widespread agreement to the Commission's approach. No sign of any awareness of French reservations.

The evening dinner will be discussion of the Laeken Declaration and the Presidency of the Convention. We had a bit of a discussion of what we thought of the Belgians' first draft. Jan Strom (from Persson's office) and I sang from the same hymn sheet about the federalist-leaning tone of the questions. Everyone else was content. The French Socialist said Chirac didn't speak for them. The Belgians said no more than that Verhofstadt was looking at whether to make the questions fewer sharps and provocative or whether to include balancing questions that better reflect our perspective. You may or may not see another draft before you get to Laeken. I spoke in tough language that if Verhofstadt tried to bounce a federalist text, he was guaranteeing a big row. But even if we do see something, it will not be before Thursday at the earliest and Verhofstadt is not allowing much time for real discussion.

On the Presidency of the Convention, the Belgians believe it will not be a Frenchman. They think Chirac is promoting Giscard for internal political reasons and has no serious desire to see him do the job. They also believe that for some reason, Giscard will be blocked by the Greeks!

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As for Delors, Jospin's priority is to secure agency sites at Lille and Nantes. Was the decision to be for Helsinki or were buying off Berlusconi with Parma, to come into the equation, then Delors might re-emerge, but not otherwise.

Amato, Kok and Guterres are all seen as potential runners. No-one has expressed opposition to Amato. The Belgians treat Kok as a firm candidate to whom they are well disposed.

The choice of President affects the political balance on the Bureau of the Convention. At the moment the Bureau looks likely to be dominated by the French and the Centre Right. The Commission representative will be Barnier. The representative of the European Parliament also may be French. Two of the three Presidencies during the life of the Convention come from the Centre Right (Spain and Denmark but not Greece). So on this argument the Presidency itself should go to a Socialist. Normally I would not pay too much attention to these political manoeuvrings, but it is an argument that can usefully be deployed against either Giscard or Dehaene (who is running strongly in the Belgian press). I said I thought it would be more difficult for you to accept Dehaene than Delors.

Schroeder is apparently set on insisting at Laeken that there must be a German on the Bureau (if so, why not a Brit egP Mandelson as the Vice President for national Parliamentarians, for instance!) In my view, the composition of the Bureau matters a great deal. It will in effect draft the final report.

The PES Council participants are all set to discuss these thrilling questions at 2130 on Thursday evening – and they want you to join them. Schroeder and Kok however will not be there. Jospin may be. The PES want you there by 2030, if

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you possibly can, to join in a discussion of economic policy, supposedly led by Jospin. You might consult Robin, but it's good politics with the 'smalls' – Persson, Lipponen, Guterres, Simitis, plus the Opposition Leaders.

Final decisions on the text of the Laeken Declaration, the Presidency or the Convention and sites of the agencies will not be taken until the Saturday morning session. Verhofstadt is letting it be known in a 'macho' way, that he is prepared for the discussion to run on to Saturday night if necessary!

Discussion with Belgian Presidency

I had a long private talk with Hugo Brauwerts, who serves in the "cabinet" of the Deputy Prime Minister, whom I like and trust, about the real intentions of the Belgian Presidency. He said that Verhofstadt's ambitions had grown over the last fortnight. He was determined to make his mark as a future Leader of Europe with an eye on the Commission Presidency in 2004. The shakiness of the Belgian coalition meant that Laeken might be his big and only chance. So the language of the Declaration is, if anything, being toughened up, not toned down. Hugo gave me three examples:

- new drafting that the Convention must give a clear steer on what are the lead responsibilities of the EU and Member States (not in my view a bad proposal);
- a firm steer that the Convention should consider a Montesquieu style separation of the powers for the Council, Commission and Parliament (another way of stating the unacceptable that the Commission must be the 'government' and the Council a 'Senate' or 'Second Chamber')

RESTRICTED

- 6 -

- collapsing the Third Pillar into the First (maybe on a bold day, we might support this, but only if the sanctity of the Second Pillar is re-confirmed).

But overall a warning from the Belgians themselves that Verhofstadt intends to 'go for broke' and in a highly political way.

Follow-up

Two thoughts:

- should you call Verhofstadt on Thursday to warn him off a row?
- should you also call Berlusconi to see how we can get him off the hook on the European arrest warrant? He will have zero credibility in Europe if he persists. Stephen and I are in Rome on Wednesday and we will advise after that.

Signed : Roger Liddle

10/12/2001

ROGER LIDDLE

RESTRICTED

From: Rachel Cowburn

Date: 10 December 2001

PRIME MINISTER

cc: Jonathan Powell

Sally Morgan

Roger Liddle

Stephen Wall

VIDEO MESSAGE TO THE DUTCH LABOUR PARTY CONFERENCE.

TUESDAY 11TH DECEMBER 2001 12.30-12.40.

You are recording a brief 30-second clip for the Dutch Labour Party Congress taking place at the end of this week. You are the only foreign Party Leader doing so.

It is envisaged to be:

- a message of warm words for Wim Kok
- welcoming Ad Melkert
- the importance of sharing common values/close partnership.

An idea of points you may wish to make is attached.

RACHEL COWBURN

Talking Points Tony Blair Taped Message to Dutch Labour Party Congress

- Delighted to speak from London to the congress of the Dutch Labour Party
- Thank Wim for his friendship, leadership, example to everybody, share many good moments
- Have very much appreciated his advice and good counsel, as have all our fellow leaders in Europe
- Wonderful to see Ad as the new leader of the Dutch Labour Party
- Look forward to working with Ad, come to know him as a great innovator with wisdom, leadership and humor
- He is able to continue where Wim Kok has left, moving our countries forward – keeping the economic fundamentals in place and improving public services. Caring for the many, not the privileged few
- Economic strength and economic/ social justice are now coming together
- Our interdependence post September 11th is clear.
- We have done a lot, but there is still much to do

Key notions:

**Key themes for the forthcoming election campaign (Election in May 2002)
- many, not the few; together *versus* everyone for themselves**

- Opportunity, responsibility, community.
- Much has been done but there is still a lot to do
- Working on solutions and hope, instead of playing on fear
- Solving today's problems is about making choices [very important]
- Choice between active and passive government
- The people of the Netherlands, Britain and the rest of Europe, indeed the world, expect us to make a difference. We can make a difference.

Ends.

r6/n

Deu pm

1. GR pts.
2. mt

at 5/4
M
PC



Foreign &
Commonwealth
Office

London SW1A 2AH

6 December 2001

(T)

Dear Michael,

Letter from the Parliamentary Group of the Party of European Socialists

...

I attach a draft letter in response to the letter of 8 November to the Prime Minister from Mr Crespo, Leader of the Group of the Party of European Socialists. The letter refutes the view that there is an institutional vacuum in the EU's fight against terrorism and that common defence should be included on the agenda of the European Convention. The letter also reconfirms that NATO will continue to play the primary military role in the fight against terrorism.

Yours aye,

Mark

(Mark Sedwill)
Private Secretary

Michael Tatham Esq
10 Downing Street

**DRAFT REPLY FROM THE PRIME MINISTER
TO THE PARLIAMENTARY GROUP OF THE PARTY
OF EUROPEAN SOCIALISTS**

Thank you for your letter of 8 November. I welcome the Group's recognition that because of their direct involvement in the fight against terrorism, various EU member states, including the UK, have naturally met outside the framework of European Councils.

I do not, however, share the view that there exists an institutional vacuum in this area. Nor do I believe that the question of common defence should be added to the agenda of the forthcoming European Convention to discuss the agenda of the next Inter Governmental Conference.

For the UK, NATO remains the cornerstone of European territorial defence. NATO's immediate response to the dreadful events of 11 September was to invoke, for the first time, its Article V guarantee that an attack on one ally was an attack on all. This was a powerful symbol of Europe, the US and other allies speaking with a single voice and acting together.

The EU too has made a strong response to the events of 11 September. We have given unstinting political support, including through the European Conference which brought together some 40 countries from the length and breadth of Europe. The EU has also responded to 11 September by strengthening its internal measures. I hope that at Laeken we will note progress made in the area of JHA.

The EU will play a major role in the reconstruction effort in Afghanistan. We are also undertaking a comprehensive exercise to assess third countries' counter-terrorism performance which will help shape the development of the EU's relations with them.

Meanwhile, we continue to press ahead with ESDP including the recent EU Capabilities Improvement Conference. CFSP also continues to develop under the sure guidance of Javier Solana.

I believe that Europe through both NATO and the EU has responded firmly and rightly to the events of 11 September. Europe's voice has been heard through both organisations and we have stood shoulder to shoulder with the US. Each organisation has shown its own particular strength and value in framing a comprehensive response.

*[Edwin Samuel
Sec Pol Dept 270 3178]*

ex get

DCU to input + track

PS pending 11/12



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

22 November 2001

Dear Mark

**LETTER FROM THE PARLIAMENTARY GROUP OF THE PARTY OF
EUROPEAN SOCIALISTS**

I attach a letter to the Prime Minister from Enrique Baron Crespo. Although the letter is addressed to Mr Blair as Leader of the Labour Party, it refers to events which were governmental in character. So I think the reply should issue from Mr Blair as Prime Minister and I would be grateful if FCO could provide a suitable draft.

I am copying this letter to Sir Nigel Sheinwald (UKRep Brussels).

Yours ever

Michael Tatham

MICHAEL TATHAM

Mark Sedwill
FCO

Franco UKRep



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

22 November 2001

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EUROPEAN SOCIALISTS**

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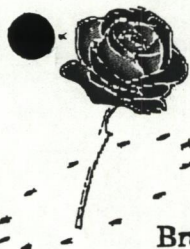
Yours ever

A handwritten signature in black ink that reads 'Michael Tatham'.

MICHAEL TATHAM

Mark Sedwill
FCO

PARLIAMENTARY GROUP OF THE PARTY OF EUROPEAN SOCIALISTS



The President

Brussels, 8 November 2001

Mr Tony BLAIR
Leader of the Labour Party
Millbank Tower
Millbank
UK-LONDON SW1P 4GT

Dear Tony,

*Prise plaisir - to note
copy Michael Tobin
Stephen Wall
Jonathan Powell
Richard Cowburn
EP pressure to communitive Defence -
after the controversy of Ghent + London. We
need to think of a better alternative.
Michael (as we discussed) is getting the
FCO to do you a reply to Ennio in your
HOG capacity.
Roya*

The recent meetings of Heads of State and Government in Ghent and London, outside of the framework of European Council meetings have provoked considerable debate in the European media. This has been a potential source of friction within our political family.

I am writing to you because these questions have, naturally, emerged within the Group and following a debate within our Bureau, we agreed that I should write to all of our Party Leaders to explain the common position we came to as a contribution to overcoming the potential difficulties and divisions.

For us, it is clear that, instead of criticising particular Member States who, quite naturally, are meeting because of their direct involvement in the anti-terrorist coalition with the United States, the European Union should be attempting to overcome the current institutional vacuum which has led to this situation. The moment has come to consider the question of a common defence within the constitutional process which was launched at Nice and whose agenda will be decided in Laeken.

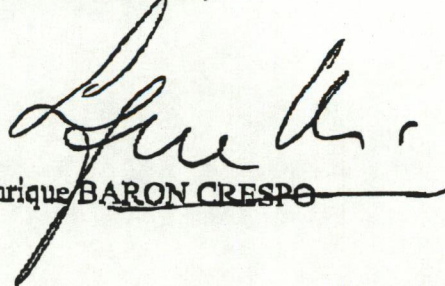
The seriousness of the current threats to global peace and stability require a united Europe that is capable of speaking with a single voice and acting together. The lack of an institutional framework in which the political and military responses to terrorism can be decided has been exposed by the current crisis. The noise surrounding the meetings in London and Ghent are a reflection of this, but they are a symptom, not the cause.

Great efforts are being made to strengthen our common responses in judicial, police and security matters. The European Councils of Brussels and Ghent, if they achieve their objectives, will be seen to have broken the Gordian knot of Tampere. However, we need to put the question of common defence on the agenda of the Convention at Laeken because otherwise there is no basis for a united European response to terrorism in matters of defence and foreign affairs. The tensions caused by the recent meetings of those Member States directly involved in the coalition could then continue to rise, particularly as discussions take place within them on issues such as

humanitarian aid and economic policies which enter directly into the competences of the European Community and its institutions.

I am attaching the press declaration that I have made following the Group's discussion and I look forward to hearing from you,

With Best Wishes,



Enrique ~~BARON CRESPO~~

c.c. Robin COOK
Javier SOLANA

Annex



PARLIAMENTARY GROUP OF THE PARTY OF EUROPEAN SOCIALISTS

PRESS INFORMATION

Enda McKay GSM 0032 (0)476 809 092 ; email:emckay@europarl.eu.int

Brussels 7 November 2001

PES GROUP/SECURITY

BARON : 'EU SHOULD CONSIDER RESPONSIBILITY FOR DEFENCE MATTERS'

The President of the PES Group in the European Parliament, Enrique BARON, has said that the moment has come for the European Union to seriously consider the inclusion of defence matters as a Community competence.

He said today, following a discussion in the Group's Bureau, that 'the current international situation requires a united Europe speaking with one voice. But there is no institutional framework in which the EU – or some Member States – could deliberate on their political and military response to terrorism. This, it should be noted, has immediate concerns for countries such as the UK and Spain. This requires the reinforcement of cooperation in justice and home affairs.'

Mr BARON continued 'In launching the Convention for the forthcoming Intergovernmental Conference, the European Council in Laeken should include in its agenda a discussion on a possible common defence policy having a Community competence thus providing a framework in which to develop EU capacities to face up to the security crisis.

'Now more than ever Europe must be united and avoid divisions that could prevent common positions being expressed in foreign policy and which should be adopted on a Community basis.

'Therefore, instead of criticising certain Member States because of their contribution to the fight against terrorism, the EU should fill the institutional gap that leads to a situation like the present one. It should offer positive proposals that allow for action to be taken in the security area under a Union Treaty more adapted to dealing with real problems', he concluded.

From: Rachel Cowburn
Date: 19 November 2001

PRIME MINISTER

cc: Roger Liddle
Sally Morgan
Robert Hill
Stephen Wall

EPLP MEETING - 20TH NOVEMBER. 17.00 STATE DINING ROOM

You may want to give a 10/15 min introduction, perhaps covering:

- The big picture. Today's Nuremberg speech and your Birmingham speech on Friday. The social agenda and economic reform agenda. Your vision of how these link together in your vision of Europe. You may want to raise the intense lobbying the EPLP is coming under from the Trade Unions.
- Latest thinking on the Euro
- Enlargement/Laeken
- Important role the EPLP plays in sister-party work
- You could mention the successful regional consultations on the Future of Europe that the EPLP has organised.

Specific issues the EPLP are likely to raise:

- **Afghanistan/latest international situation.** European-wide anti-terrorism laws. Council seen as dragging its feet. Is the time-scale of 6/7th December for Governments to agree to this legalisation realistic?
- **The Ghent mini-Summit/Downing Street dinner.** EPLP view is that these smaller meetings are not a big issue but they will want to know how you are working with our allies on this issue who were not present at either meeting.
- **Laeken.** Likely outcome and time-scale? Who do you want as Convention President? EPLP may want to get you to try and persuade Kok as they consider other candidates unhelpful. Have you thought about you want as your representative/who the other two Parliament reps should be?
- **Charter of Rights.** How do you want to handle this? Do you believe categorically that we will not accept any legal status or will you accept it with suitable legal caveats?

- **Second Chamber.** EPLP will argue that no one else supports the idea. Are you still supportive of a second chamber as such?
- **Euro** – Communication strategy for introduction of the Euro. Is there a role for MEPs?
- **Peter Hain/presentation of European issues.** Why has it again been left to Peter Hain to campaign positively on Europe? (NB you will be meeting MINECOR Ministers after PMQ's in the New Year to renew your support for this Ministerial network).
- **Party issues.** Although highly unlikely to raise the elections in 2004, they may well raise partnership in power (will welcome relaunch and the mainstreaming of European issues across the Policy Commission). Arlene McCarthy is on Charles's campaign team.
- **DOHA.** Glenys was there. She may want your take on this.
- **Public procurement/postal services.** May want to get your feeling on these issues. On public procurement, briefing from European Secretariat is that HMG is keen to ensure PFI arrangements are still permitted, i.e. need provisions on 'competitive dialogue' On postal services, HMG wants to defend Council's Common Position, right balance between market opening and universal service provision.
- **Cyprus.** If given the opportunity, Richard Balfe will ask about your strategy in dealing with the rights of the Turkish population on Cyprus. He will ask your views on the prospect of an independent and separate Turkish republic of North Cyprus or Turkish annexation of the North of Cyprus if negotiations fail. He will relate your answer exactly to the Turks so your response should be very general about the sensitivity of the issue etc.

RACHEL COWBURN

EPLP Members attending meetings on the 20th November

David Martin
Bill Miller
Catherine Stihler
Barbara O'Toole
Arlene McCarthy
Brian Simpson
David Bowe
Richard Corbett
Linda McAvan
Mel Read
Philip Whitehead
Michael Cashman
Simon Murphy
Glenys Kinnock
Eluned Morgan
Richard Howitt
Richard Balfe
Robert Evans
Mary Honeyball
Claude Moraes
Peter Skinner
Mark Watts
Glyn Ford

Apologies

Gordon Adam
Neena Gill
Stephen Hughes
Eryl NcNally
Gary Titley
Terry Wynn

Peter Coleman
Helen Kearns (EPLP Press Officer).

The Labour Party
Millbank Tower
Millbank
London SW1P 4GT

t 08705 900 200
e join@labour.org.uk
w www.labour.org.uk

new Labour
new Britain

SM
ca RH
Roger

Model

Can you let us of this please

✓

Jonathan Powell
10 Downing Street
London
SW1A 2AA

16 November 2001

Dear Jonathan

This has been received in my office. My view is that it would be useful if TB could make a contribution.

With best wishes

Yours sincerely



Nick Sigler
International Secretary

cc: Jonathan
Michael
Roger
~~...~~
Suzanne
1 min

Dr. Heinz Fischer
Stv. Vorsitzender



Prime Minister
Tony BLAIR
Leader of the Labour Party

Millbank Tower
London SW1P 4GT
U.K.

Fax: 0044-20-78021201

*Prime Minister,
Dear Tony.*

Vienna, 15th November 2001
Dr.hfi/gm

The Presidium of the Party of European Socialists (PES) has, in its meeting on June 26th 2001, taken the decision to annually publish a "Yearbook of the PES", starting with the year 2002.

The motive for such a book is to create an additional "European platform" for a political debate on issues of importance for us and to promote and broaden the discussion on them.

Within the PES-Presidium, I have been entrusted with the preparations for the Yearbook.

In the following, I have presented a working concept for the publication to the Presidium in its meeting on 30th October 2001, and this concept found general approval. The next step is, therefore, to approach the different personalities which we have foreseen as authors and ask them for their contribution to the PES-Yearbook 2002.

In this sense I wish to address you now, inviting and asking you to contribute an **article to this first PES-Yearbook on the issue of "The Fight against Terrorism"**. This title is, of course, a working title which we have chosen in view of the whole concept of the book (and for which we have tried to make a fair, broad and representative selection of issues and authors). If you wish to choose a different title or to write on a different issue, please let me know.

As for the length of your article, it **should not exceed 250 lines (8 pages in print) and the text should be submitted in English**. In order to ensure a publication of the book in spring 2002, we would need your text by the end of January 2002.

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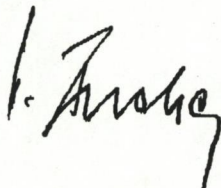
For your information, I enclose the concept of the book as it was submitted to the PES-Presidium as well as the provisional list of authors/contributions (which might of course in details still be modified or completed). Contact person in my office is Susanne Gaugl, phone: +43-1-4011-2456, e-mail: susanne.gaugl@parlinkom.gv.at.

I hope very much that you will be ready to make a contribution to this important publication and that we will succeed together in producing an interesting and useful first PES Yearbook.

Thanking you in advance for your support and cooperation

I remain

Yours sincerely,



Heinz Fischer

23 October 2001

Concept for a Yearbook of the PES

Heinz Fischer

- Each year from now on the PES publishes a "Yearbook of the Party of European Socialists" (working title).
- For financial reasons each volume should not exceed 300 printed pages.
- The Yearbook can (but needs not necessarily) be dedicated to one (or a few selected) special issue(s).
For the first Yearbook (Edition 2002) the Enlargement of the European Union and the Consequences of September 11 should be such issues.
- The Yearbook should come out each time approximately at the end of the first half of the respective year (or/and in connection with a PES Congress or Council). The first edition, that is to say the PES-Yearbook 2002, should be presented to the public around May 2002.
- Official publisher and editor of the yearbook is the PES.
- For financial reasons, the first PES-Yearbook (2002) is published only in English (unless we find sponsors for additional editions). Texts should therefore be submitted in English (otherwise considerable additional costs for translation!).
- The production of the Yearbook 2002 will be coordinated (collection of texts, printing) by the SPÖ in cooperation with a suitable publishing house in Austria.
- On the basis of the experience made with the publishing of the first edition, the PES will examine if each year an other PES member party should take the organisational and technical responsibility for the publication of the yearbook (that is to say if a similar procedure is possible as the one we follow with the organisation of the PES Summer University).
- The editorial responsibility for the contents of the Yearbook lies with the President of the PES and the PES-Vice-president responsible for the publication of the yearbook (currently Heinz Fischer).

Financing

- For the first edition a number of 2.500 copies could be envisaged. A first calculation of the SPÖ led to the result that the production costs for such a quantity of books would amount to approximately 15.000 Euro, that is to say that each copy would cost 6 Euro. On this basis we (PES, member parties) could consider selling one book at a price of approximately 12 Euro to book shops or individual buyers.
- Each of the full member parties of the PES commits itself to buy each year a number of copies (at the producer's price) which corresponds to five times the number of delegates the respective party has at a PES congress (see Annex 1, what this would mean in absolute numbers).
- The Group of the PES buys one copy for each member of the group.
- The associated parties buy (at least) 10 copies of the book.

Each member party/organisation is, of course, free to take as many additional copies at the production price of 6 Euro as it wants and needs.

Contents of the first yearbook (See also Annex 2, Provisional List of Articles/Authors).

- 1) Articles on Focus Issue(s):
 - a. Enlargement
 - b. The consequences of September 11/Security
- 2) Articles on additional issues (of special interest to the PES)
(f.e.: Future of Europe-Debate, Eastern Europe, Balkans, Sustainable Development, Globalisation)
- 3) Major PES Documents (Congress and/or Council Declaration; Reports)
- 4) Facts and Figures: basic information on the PES, its member parties (on the basis of a questionnaire in order to have similar structure) and affiliated organisations as well as the Group of the PES

30. Oktober 01

PES YEARBOOK 2002**Provisional list of articles / authors**

(The titles are first working titles. The proposed authors have not yet been contacted.)

Heinz Fischer	Editor's remarks
Robin Cook	Introduction: The Role of the PES for the Development of Europe
Antonio Guterres	Social Democracy in a Globalized World
Enrique Barón Crespo	The Role of the EP in an Enlarged Europe

Javier Solana	Security for Europe
Tony Blair	The Fight against Terrorism
Henri Nallet	European Security Policy – Our Common Goals
Rudolf Scharping	The Consequences of September 11 on European Security and Defense policy
Giuliano Amato	Europe and the USA after September 11
Ruairi Quinn	European Security – a Voice from a Neutral Country

Günter Verheugen	European Social Democracy and the Process of Enlargement
Klaus Hänsch	The Enlargement Process and the European Parliament

- 2 -

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|--------------------------------|--|
| Milos Zeman | The Enlargement Process – a Czech position |
| Leszek Miller | The New Policy of Poland |
| Laszlo Kovacs | Social Democracy in Hungary (or Hungary before the elections) |
| Algirdas Brazauskas | Europe and the Baltic Countries |
| ***** | |
| Jacques Delors | My Vision for Europe's Future |
| Neil Kinnock | Perspectives for the Future Development of the European Commission |
| Göran Persson | Sustainable Development – a European and global goal |
| Paavo Lipponen | The European Union's Role in International Organisations |
| Alfred Gusenbauer | Social Democratic Perspectives for the European Welfare Society |
| Fritz Verzetnitsch | The Importance of Strong Trade Unions for the Europe of Tomorrow |
| Representative of ECOSY | Expectations for the Europe of Tomorrow |
| Fiorella Ghilardotti/PES Women | On the Way to true Equality |
| Thorbjörn Jagland | Norway and the European Union |
| ***** | |
| Lena Hjelm-Wallén | The Contribution of the European Forum for Democracy and Solidarity to the Development of Central and Eastern Europe |

- 3 -

Akis Tsohatzopoulos	The Situation on the Balkans
Jan Marinus Wiersma	A European Perspective for the Balkans
Ivica Racan	A Strategy for the Balkans – from a Croatian Point of View
Zoran Djindic	The New Yugoslavia

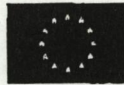
Martti Athissari	Strenghtening the United Nations
Jorge Semprun	Culture, Arts and Cultural Diversity in Europe
Anthony Beumer	The Structure of the PES and Future Developments

Further PES-Vice Presidents (or an other representative of their party) to be asked for contributions of their choice:

Jean Asselborn/Luxemburg
Lene Jensen/Denmark
Elio di Rupo, Frank Vandenbroucke/Belgium
John Hume/N-Ireland
Trinidad Jimenez/Spain
Yiannis Omirou/Cyprus

EUROPEAN PARLIAMENT

RL



RICHARD BALFE
QUAESTOR

Capt
Sally Mayer
Robert Hill
Rachel Gibson
re her

13 November 2001

Bill Miller MEP
EPLP Whip
European Parliament
Brussels

Dear Bill,

Overall I find your letter of 8 November rather sad. The position is that a Member of the EPLP (myself) has built up a reputation in Parliament to such an extent that a majority of the Members of Parliament (300 +) are apparently prepared to defy their own whip and vote for him as an independent Quaestor. I would have thought that the group should be proud of having such a Member, not resentful.

I am of course willing to discuss with Simon, yourself, the party and the Prime Minister ways out of this dilemma. My own view is however that this matter is irrelevant in the wider world.

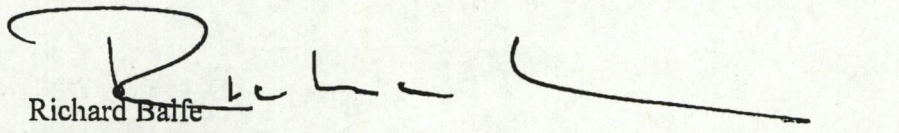
I would be pleased if you could indicate which rules I have broken, what disciplinary action you intend to follow and what the timing of this will be.

It will be interesting to see the reaction in the news media in England and Scotland if you as whip end up initiating disciplinary action against someone for organising the biggest revolt seen in Parliament and **winning** an election. The Members in my view deserve the Quaestor (shop steward) of their choice.

I have copied this letter, your letter and my letter of 15 October to Simon Murphy, to the Prime Minister, David Triesman, Charles Clarke and Roger Liddle.

I await your response.

Yours sincerely,


Richard Balfe
President of the
College of Quaestors

EUROPEAN PARLIAMENTARY LABOUR PARTY

Richard Balfe MEP
08BD009 Altiero Spinelli Building
European Parliament
Rue Wiertz
1047 Brussels

Brussels, 8 November 2001

Dear Richard,

POSITION OF QUAESTOR

I am writing to you following the Tuesday 6 November meeting of the EPLP where the question of Quaestor was discussed.

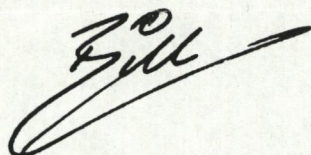
As you are aware this post was not seen as a priority for the EPLP. I would hope you would reconsider your position and not stand as an independent which would have ramifications for other EPLP members at a later stage.

If you proceed with your pursuit of the Quaestor's post this could lead you into conflict with the rules and procedures of the EPLP and possible disciplinary action.

It is my intention to inform Enrique Baron of the decision of the EPLP and also to indicate that no EPLP member will sign a nomination form for an independent candidate. If you wish to make any comment on the foregoing I would be more than happy to receive your views.

I trust, however, you realise the consequences of this action.

Yours sincerely,



Bill Miller MEP
European Parliamentary Labour Party Whip



13G352, Altiero Spinelli Building, European Parliament, Rue Wiertz, 1047 Brussels, BELGIUM
Tel: 00 32 2 284 3735 Fax: 00 32 2 284 9061
email: psdeleguk@europarl.eu.int website: www.eplp.org.uk

GROUP OF THE PARTY OF EUROPEAN SOCIALISTS

EUROPEAN PARLIAMENT



RICHARD BALFE
QUAESTOR

15 October 2001

Mr. Simon Murphy MEP
European Parliament
Brussels

Dear Simon,

Thank you for your letter of 9th October enclosing the letter from Enrique Baron, dated 2nd October.

I am afraid you boost both my importance and the motives and principles of my electors far beyond the true position.

Members vote for me for Quaestor for two basic reasons.

Firstly, they recognise that I look after their pension fund extremely well and have a good eye for detail and will always defend both the pension fund and their right to have it.

Secondly, people appreciate the fact that I regard my main job as being a Quaestor, I am generally on the premises from eight in the morning until well into the evening on most working days and respond quickly to any problems put to me, always trying to sort them out in the interests of the members. In other words I am their Shop Steward.

With reference to Enrique's letter, so far as points one and three are concerned, this, as I said earlier, grossly overestimates my importance. So far as point two is concerned, I am actually more likely to be able to get votes for David because of my extensive contacts around the house than to cost him any votes, David himself has said this to me.

I am, of course, a flexible person and always pleased to reconsider any points. As such I remain open to any propositions that you, Tony Blair or others might wish to make.

I look forward to hearing from you.

Yours sincerely,

Richard Balfe

cc. Enrique Baron

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From: Hugh Powell
Date: 12 November 2001

cc: Ambassador
DHM
Mr Turner
Mr Clements
Mr Mehmet
Mr Bolton
Ms Simon
Ms Pinto, EUD(B)
Mr Heardman, CabOff
Mr Tatham, No 10
Rachel Cowburn, No 10
Mr Lapsley, Paris

To: Roger Liddle

SUBJECT: PRIME MINISTER'S SPEECH TO SPD PARTY CONFERENCE

1. I attach a summary translation (the full text is 60 pgs) of the (still draft) SPD conference motion on "security in change", up-dated to include additions/alterations since the version I sent you and David Clark on 11 April. It will be the centrepiece of the domestic policy debate on the Wednesday (21/11) of the SPD party conference. It is billed as the basis for the party's election manifesto next year.
2. The paper has shifted leftwards since the last version: more security from change, less security through change. Key additions include dismantling unacceptable inequality though greater redistribution (i.a. through a wealth tax), commitment to preserving the German social security systems, and opposition to differentiated healthcare insurance. Labour market reform is focussed on expanding worker co-determination rights, shortening working hours and reducing overtime. On globalisation, the focus is on "minimising risks by introducing international standards in trade, social and environmental policy...." Lisbon/Barcelona and the European economic reform agenda are not mentioned.
3. The growing SPD emphasis on preserving social and economic acquis rather than reform is unsurprising. There is near unanimous agreement across all German parties and pollsters that "security" will be the key electoral theme. Fear of change, a low tolerance for risk and a high demand for predictability are German characteristics; in 1998 the two main parties' slogans were "security not fear" and "security into the future." The SPD's

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election strategy is therefore increasingly centred on reassuring and mobilising its core electorate in the industrial heartlands of NordRhein-Westfalen.

4. Sir Paul Lever's letter to you of 9 November pointed out that this imposes constraints on what sort of economic message from the Prime Minister Schröder would find helpful at the SPD party conference. Labour market reform is the key sensitivity. Your note to the Prime Minister seeks to finesse that with the theme that "full employment is the essential foundation of social justice." I don't think that by itself will work with the 20 November audience. As the Sicherheit in Wandel paper makes clear, for most in the SPD "solidarity", mainly in the sense of redistribution through social security systems, is the true basis of social justice. You need to avoid the suspicion that Labour's full employment message is code for a (to them unacceptable) trade-off between reduced benefits and labour rights in return for more (low-pay) jobs. One way might be to insert another Labour theme which is echoed in the SPD paper, viz education = equal opportunity = jobs & social justice.
5. Another tricky theme is globalisation. A free market/trade gospel is not assured a good reception in Nürnberg. Another SPD paper on development policy (summary translation attached), which will be adopted on 20 November during the foreign policy debate, includes the killer line "those who leave everything to the alleged free play of market forces are acting undemocratically and will merely exacerbate existing injustices and widen the huge gap between poor and rich." It also supports i.a. a tobin tax against "casino capitalism", and giving reformed IFIs stronger competence over social and ecological standards. I would therefore major with your other line on "channelling" globalisation in ways that achieve greater [social] justice. The free trade message will go down better if balanced by interventionist measures like debt forgiveness, or new labour and environmental standards as part of a new WTO round. EU wrapping also helps - you might use the "everything but arms" initiative as a key example of your line that "open markets...are part of our debt of duty to the developing world."

Hugh Powell

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Summary Translation

SECURITY IN CHANGE

a) Society in change

The SPD's aim in 1998 was to make Germany fit for the 21st century. Much has been achieved since then. Unemployment is falling, the reform logjam has been broken, the economy is growing. Many new projects initiated: thorough budget restructuring, far-reaching tax, pension and Bundeswehr reforms and adoption of a new liberal nationality law. We have combined innovation and justice.

Social change is rapid and radical. People are prepared to face new challenges but expect politicians to offer guidance and reliability.

Modernisation and social responsibility belong together. A policy for security in change requires an integrated approach linking growth, employment, education, skills, involvement and justice.

In the past ten years, people in eastern Germany have undergone a unique process of adjustment. They have comprehensively reorganised their private and working lives. This strength is particularly important if we are successfully to master social change throughout Germany.

We want security in change and security through change. The SPD has always been a party of reform so we know that reforms can never be introduced against the will of the people. Good reform policy seeks acceptance and implements what is feasible. Realism is the prerequisite for political success.

Our policy is based on firm principles and clear goals. Modernisation and reform do not just mean change and transformation but also responsibility for security, reliability and guidance. So that people can have confidence in the future.

I. The challenges of change

Change is a principle of modern societies. There has been a new quality of social change in the past 25 years. New technologies have transformed the economy and the labour market, the extent and speed of innovation have increased enormously. Collectively organised industrial society has given way to a more individualised and pluralistic society. Germany needs change but it also needs a policy to shape this change for and with the people.

Individualisation

People's lives are nowadays less determined by social class or parental income levels. Family and traditional ties are being increasingly replaced by self-chosen links to groups with common values and interests. Society is gaining in diversity and creative potential. But a choice of options creates a greater need to take decisions and assume responsibility.

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Globalisation and Europeanisation

Globalisation is a social reality. Between 1972 and 1995 world exports grew thirteen-fold, global foreign direct investment eighteen-fold and the flow of international finance by a factor of 42. But this process is largely in and between developed regions of the world. Half of the people on our planet have to survive on less than US\$ 2 per day. The poorest developing countries account for just 0.5% of world trade.

The speed of globalisation raises fears: the loss of jobs as a result of production transfer to low-wage countries and company mergers and the loss of a welfare safety net. On the other hand it opens up new markets, has enabled a growth phase in international trade and a great degree of international communication. Globalisation does not mean the end of politics. Globalisation can be shaped **socially and ecologically. We must use the opportunities of globalisation and minimise risks by introducing international standards in trade, social and environmental policy. This will enable and require greater transparency and democratic participation. It also necessitates active national cooperation in monetary, economic and financial policy.** It is important to shape globalisation in social, ecological and human terms so that the poorest developing countries also have a chance of benefiting from the advantages.

Europe and the Europeanisation of politics is an historic decision and a necessary response to the challenges of globalisation. The introduction of the euro and enlargement to include the CEE States are necessary steps which must now follow.

German unification

For the large majority of people in the eastern Länder, unification meant a dramatic change in their political, economic and social situation. The Basic Law offered individuals a high degree of security but the transformation also made high demands. The experience of this modernisation process is not only significant for the further reconstruction of eastern Germany. We can also learn from the positive and negative aspects for social change in Germany and for the process of unification in an enlarged Europe. **We believe it is necessary to bring eastern wages and salaries up to western levels in gradual stages.**

Acceleration

New technologies and products now have a life-span of less than five years. The radio needed 50 years to reach 50 million users worldwide – the Internet achieved this in 5 years. In the knowledge-based economy of the future, speed, financial strength and the ability to cooperate in networks will be decisive for the success of companies and national economies. Education, skills, mobility and flexibility will become increasingly important for opportunities on future labour markets.

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Demographic change

Demography will be a key factor in social policy. Increased life expectancy and falling birth rates will alter the face of our society. This will have far-reaching repercussions for social insurance systems, social infrastructure and the labour market. Justice and responsibility between generations will become key political issues.

Knowledge

Knowledge is the most important raw material for tomorrow's products and economic success. With the aid of modern communications technologies the quantity of available knowledge is growing to an unprecedented extent. This offers the individual new opportunities for personal and professional development. But individuals and society face new demands constantly to expand and manage their knowledge and organise lifelong learning.

Information

Modern technologies, above all satellite TV, telecommunications and the Internet, potentially offer everyone world-wide access to information. More information was created in the past 30 years than in the entire preceding period of human history. The dissemination of new information and news is virtually instantaneous.

But this wealth of information makes new demands on people. They must learn where to obtain information. They must differentiate between important and unimportant information, between right and wrong, useful and useless. It is becoming increasingly difficult for the individual to select what is useful for him. The education system must teach the basics of "media competence".

II. Basic values as guidance

Freedom, justice and solidarity are also guidelines and criteria for Social Democratic policy in times of rapid change. Politics and society need yardsticks for measuring right and wrong. But basic values have to be seen in the light of changing realities and new challenges.

There are tasks which do not change: recognising and combating threats to freedom at an early stage; identifying, reducing and, where possible, correcting injustices in the distribution of power, influence, rights, opportunities and economic possibilities; repeatedly stating how important solidarity is for human coexistence. It is not old-fashioned to insist and ensure that solidarity underlies state action. The social security systems established in Germany in recent years and decades have proven their worth and are an important expression of reliable solidarity. They also provide a considerable degree of social balance and equality. It is important to continue developing them despite economic and financial difficulties and changing demographic structures.

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The basic values continue to apply unreservedly. But because the world is now completely different to the world of the 1980s, these basic values must relate to the new challenges. This will be the cornerstone of the debate on the core programme.

Freedom for the many, not the few (Willy Brandt)

Liberating people from collective ties and traditions has opened up new opportunities. But people also require social conditions which enable them to act as free citizens. It is no longer merely a question of "freedom from what?" In an information and knowledge-based society, people's imagination and creativity, their assumption of responsibility and specific skills take on increasing importance. Society gains creative energy from this individual freedom.

One person's freedom defines the boundaries for the freedom of others. The freedom not only from demeaning dependencies, poverty and fear but also the freedom to develop individual abilities and to play a responsible part in politics and society. This freedom requires equal opportunities and comprehensive social security.

Justice

Justice is based on the equal dignity of all men. It demands freedom, equality before the law, equal opportunities for political and social involvement and social security. **All historical and social experience shows that major inequalities in the distribution of income, property and influence or excessive concentrations of economic power, are not only incompatible with the general understanding of justice but also undermine freedom and solidarity. A policy for greater justice, freedom and solidarity must begin here and dismantle unacceptable inequality.** Justice demands the social equality of men and women. It also demands responsibility for future generations in the form of sustainable development. Justice requires the state and society to play an active role in all these areas. Justice also means guaranteeing dignified living conditions for people who have been unable to realise their opportunities. Poverty also exists in our affluent society. It remains totally unacceptable. Eliminating poverty continues to be a priority for a policy geared towards justice. It also calls for more equality in the distribution of the burdens which society has to bear.

Equal opportunities are based increasingly on equal access to education, culture, information and work. A policy aimed at greater justice must therefore press increasingly for open access, equality of opportunity and a policy of second chances.

Solidarity

Solidarity is the readiness of people to stand up for one another. But solidarity cannot be enforced. Educational policy can make a decisive contribution. **Solidarity is a weapon of the weak in the fight for their rights and a logical consequence of the understanding that Man needs his fellow men.** Solidarity and joint action, not egotistical individualism create the conditions for everyone to broaden their

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individual chances for development. It means preserving one another from the worst consequences of individual failure; guaranteeing everyone a dignified existence; mutually ensuring the application of protective legislation. A society without solidarity loses its human face.

Solidarity also dictates that people in the Third World must receive the chance of a dignified life. Future generations, whose opportunities we are deciding today, have a right to demand our solidarity.

IV Social Democracy today

- **promotes a dynamic economy, innovation and growing employment**
- **ensures prosperity**
- **protects the natural sources of life**
- **links innovation and justice**
- **fosters a fairer distribution of income and property**
- **guarantees equal living opportunities in Germany**
- **upholds the need for solidarity as east and west grow together**
- **offers ability to act through international cooperation**
- **advocates a tolerant and liberal society**
- **guarantees and maintains social security.**

1. Promoting growth and employment

Combating unemployment as well as promoting growth and employment remain the most important aims of Social Democratic policy. We have focused on the creation of new and viable jobs for eastern Germany and that will remain our goal in future.

Employment is a prerequisite for personal security. This calls for enhanced individual employability as well as an adequate supply of jobs and training opportunities.

Unemployment in Germany is falling. The economy is growing faster than at any time since the mid-eighties. Sustainable growth is the best way to achieve more employment. This objective is also served by our tax policy: tax relief and reform legislation will produce net relief of DM 95 billion in the period to 2005, reversing the trend of increasing tax burdens on employees, families and SMEs. At the same time we have brought German company taxation into line with Europe and made it internationally competitive. This will strengthen demand, improve supply conditions for industry and create the prerequisite for further economic growth. This will enable us to balance the budget, reduce our mountain of debts and give the State latitude to make forward-looking investment, further reduce taxes and levies and further simplify tax law.

Policy for full employment

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There is a realistic chance of bringing unemployment figures down below 3.5 million in the course of this legislative period. Investment in active labour market policy over the past two years totalled well over DM 90 billion, focusing on young people (JUMP programme), the long-term unemployed and the new Länder. In eastern Germany alone, more than DM 22 billion will be made available in 2001. **But Germany must become even better at combating unemployment. To avoid long-term unemployment becoming entrenched, low-skilled employees in particular need new opportunities on the labour market. Those who – for whatever reasons – cannot meet the demands of the modern labour market must be offered new opportunities for gaining skills. There is a high employment potential in certain service sectors (hotel and catering trade, cleaning and health).**

Shorter working time

Increased productivity can also be used to shorten working time. Together with the reduction in overtime, this will help reduce unemployment. It lessens the burden of gainful employment, creates scope for necessary activities outside working life, provides time for the family, recreation, cultural and social activities.

Promoting employment of women

We want to markedly increase the percentage of women among the working population in the next few years. It will be necessary to:

- expand the spectrum of career options for young women;
- implement equality of opportunity, e.g. increase the number of women in areas where they are currently under-represented;
- achieve equal pay for equal work;
- increase the percentage of women in all hierarchies;
- expand the percentage of women in all further education measures;
- target support for women setting up businesses;
- improve the compatibility of career and family for fathers and mothers.

Skills for older employees

Justice dictates that employment opportunities should be guaranteed for all gainfully employable people up to the age of 65. The tendency towards employing younger staff but also the long-standing practice of early retirement schemes have forced too many older employees into unemployment. Not only the demographic trend means that it will be necessary to maintain people's employability until they reach pensionable age. Lifelong learning must become a component of all employment. Financing must be shared fairly between employer, employee and the public sector. **Limiting overtime is a further means of promoting the opportunities for older employees.** There must be increased use of direct aid, such as labour cost subsidies, to promote the employment and skills of the 50-65 age group.

Combating illegal employment

Illegal employment jeopardises legal jobs and costs the State billions in lost tax revenue. There must be greater coordination between those authorities involved. Spot checks without specific grounds for suspicion should be permitted. Contractors should be liable for the social insurance contributions of their sub-contractors. Penalties must be stiffer and the catalogue of offences widened.

Modernising labour law

New forms of employment require new regulations which protect without stifling and enable solidarity. Flexibility and security are mutually dependent. Necessary measures include: reform of the Works Constitution Act, supporting employee participation and strengthening individual and collective options for working time.

Developing co-determination

In times of globalisation and structural change it becomes clear that co-determination is closely linked to other policy areas and reforms. Developing co-determination will contribute to security in change.

In the current legislative period the SPD-led Federal Government has implemented the amendment to the Works Constitution Act. Securing and developing "qualified co-determination" in companies is a further necessary step. There are negotiations in the coal and steel industry on further co-determination structures. The way forward is to seek a flexible strategy which can react to specific circumstances and make progress through decentralised negotiations instead of waiting for the legislator.

Stable economic and social relations also form a viable basis for meeting future challenges in Europe. Co-determination is a solid foundation on which to represent employees' interests in companies. For Europe's social dimension it will be important to accept the diversity of European models of worker participation.

Promoting SMEs and the self-employed

Approx. 3.3 million SMEs and self-employed form the backbone of German industry. They provide over two thirds of all jobs and apprenticeships. Improving their conditions and opportunities will also make a decisive contribution towards building competitive structures in eastern Germany. We shall continue the current reforms and foster a culture of self-employment: tax reforms will relieve SMEs to the tune of DM 30 billion by 2005; we shall support savings banks as the indispensable partners for SMEs; we shall promote the formation of venture capital.

2. Securing social cohesion

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The welfare state is an expression of the desire for a just society. It is anchored in the Basic Law. Social Democrats regard the welfare state as a voluntary agreement to solidarity in a society which wants to shape change. There must be renewal if the welfare state is to continue providing security. Abstract appeals to solidarity are not enough. There must be a framework to provide a fair balance. The overwhelming majority of the population want to secure their material needs through their own work. State and society must support this willingness to assume responsibility. **However, it must be ensured that all those who are dependent on social security receive sufficient help and support. The welfare state will continue to provide support wherever necessary but must also activate people wherever possible. It must secure the right to a second chance but through partnership not tutelage.**

Reforming the social security systems

Important reforms are already being tackled. Pension insurance: stable contributions of no more than 22% guaranteed to 2030. State promotion of private old-age insurance gives everyone the opportunity of securing a pension above the statutory level. Health reform 2000: we have safeguarded the quality of care and reduced burdens on patients and the insured by over DM 1 billion. These two reforms show a fundamental element of Social Democratic welfare policy: nobody is to be over-burdened but everyone must also assume responsibility for themselves and their social security.

Securing health in the long term

People regard health and a long life as their most precious assets. Efficient and high-quality care is the pre-requisite for both. People must not be excluded or disadvantaged due to their economic situation or other circumstances (such as disability or chronic illness).

The greatest challenges to the health system are: improving efficiency, demographic trends and technical medical progress. These require further reforms based on the following principles:

- necessary medical services must be secured for everyone;
- **the essential pre-requisite is a health system financed on the basis of social solidarity. Medical cover will not be split into comprehensive and selective schemes;**
- quality must be safeguarded and developed;
- prevention and rehabilitation save costs and help people;
- transparency helps to combat waste and money;
- avoid higher contributions: more money does not automatically mean higher quality.

Long-term care insurance has proved its worth. The financial latitude it provides must be used to improve services, especially for the care of elderly patients suffering from dementia.

The balance of risks between health insurance funds must be structured in such a way that competition is not focused primarily on the lowest-risk clients.

Strengthening families

Families are where children live and grow up. There is no future for society without children. Families are also where young people develop and are prepared for their role in society. We therefore support families, e.g. through tax, student grants and loans and housing allowance reforms. We have increased child allowance twice by a total of DM 50 for the first and second child and improved the terms of the child-rearing allowance.

Parents must have equal opportunities to combine family and career. We must develop better infrastructure to support child-rearing and create a network of child-care facilities for all ages (day care)

Implementing equality of opportunity for men and women

Promoting the equality of men and women in all areas of society is an essential part of a forward-looking and modern social policy. Establishing equality of opportunity is a cornerstone of our policy for innovation and justice. It is also a factor for the success of our economy and our society. Political decisions must take equal account of their effect on men and women ("gender mainstreaming"). By accepting this as a guiding principle of government work, the Federal Government has given a clear signal which must also be transmitted to other sectors of industry and society.

Secure housing

People attach great importance to home ownership. The Government assists with the building of owner-occupied residential accommodation.. Housing allowance payments were also increased in 2001. A national action plan has been launched to ensure sustainable development in urban districts with particular problems. Special attention is on the revitalisation of inner-city areas and tackling the problem of flats left standing empty in eastern Germany.

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Tenancy law is outdated and over-complicated. It must be reformed e.g. by reducing the period of notice for long-term tenants to six months. The reform of publicly assisted housing will take effect on 01.01.2002. We want to improve its efficiency, i.e. examine exactly who needs it. The focus will not only be on new building but also on the existing housing stock.

Strengthening social commitment

Social commitment by the individual is not a replacement for the welfare state but a complementary measure. Social support is about more than just financial payments. The welfare state needs professional and honorary commitment: women and youth associations, charitable organisations, sports clubs, church communities hold society together with their work. They form the core of our civic society. We shall continue to support these efforts, e.g. with a new law on foundations and endowments which will lend positive impetus to individual commitment.

3. Sustainable economy

Politics must consider not just the needs of the present generation but also the interests of later generations. We shall pursue a national strategy of sustainability covering all areas of political and social activity.

Sustainable financial policy

Our financial policy stimulates employment and growth. We do not regard saving as an end in itself. We set clear priorities for the future of our country. We have lowered taxes and reduced new borrowing. Our reforms are soundly and equitably financed by closing unjustified tax loopholes. We have ensured that high-earners who had been playing the system to achieve a zero tax bill are now paying tax again. **Together with our European partners we want to ensure that measures to combat tax evasion and tax fraud are more effective than in the past.**

Tax policy must be fair on both the strong and the weak. It must be ensured that large incomes and assets make a sufficient and fair contribution to securing the future of our society.

Our aim is a balanced federal budget in 2006. Future budget surpluses will be used to reduce the debt mountain but also for investment and lowering taxes and levies.

Ecological renewal of industry

Sustainability is the concept underlying social democratic reforms. It links industrial and technological development with social justice and ecological compatibility. It harnesses self-determination, democratisation, cultural diversity and international

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solidarity as means for shaping and opening up the future for various paths of development.

The industrial nations bear a particular responsibility for more sustainability. They account for only a quarter of the world's population but over 80% of energy and resource consumption. Sustainability can only be achieved if human creativity and the latitude for political action are increased. Regional structures must be strengthened and material cycles closed as far as possible. Sustainability is a practical display of solidarity with future generations.

This is the basis for our policy to safeguard the natural environment. It is also a contribution to greater justice. The integration of ecological objectives into technological development and company decisions is a central feature.

Viable energy policy

We want an energy policy which attaches the same importance to environmental compatibility as to supply guarantees, competitiveness and social compatibility.

Too much energy is being consumed and damaging CO₂ emissions are much too high. We must also reduce our dependency on oil. A major step towards sustainable energy supplies is the consensus with the nuclear industry to phase out the use of nuclear energy.

We need a marked increase in energy efficiency. We need modern power stations with the highest levels of efficiency and the lowest levels of environmental pollution.

We want a change in energy policy based on the following three pillars: energy saving, further increases in efficiency in the generation of energy and a massive expansion of renewable energies. We abide by Germany's commitment to reduce CO₂ emissions by 25% by 2005 (based on 1990 levels).

Growth and prosperity must not be linked to high consumption of resources. With research into modern technologies such as the zero energy house, hydrogen-powered vehicles and solar power we intend to ensure that this goal does not remain utopian.

Ecological tax reform is an important milestone. Saving energy or investing in the improvement of energy efficiency is financially worthwhile.

Securing mobility

The task of sustainable transport policy is to reduce both the increase in traffic volume and the resulting pollution whilst securing the mobility of our citizens. **We are aiming for a mix of avoiding traffic, shifting traffic (from road to rail, from individual motorised transport to public transport), and technical improvements of existing forms of transport in an integrated transport system. Expansion of public transport will play a central role.**

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Transit traffic through Germany must be transferred more to rail. This requires urgent modernisation of the rail network. Like the maintenance and modernisation of the road network, this is a task for the state.

Over the next three years, an additional DM 6 billion will be spent on upgrading the rail network and DM 3 billion on road building. DM 7.4 billion will be invested in the years 2003-2007 to tackle the problems of traffic jams in the road, rail and water sectors. The transport investment programme will focus on the eastern Länder.

Transport infrastructure cannot be financed solely from the national budget. Profits from the auction of UTMS licences have been used for this purpose. But infrastructure planning requires long-term policies and financing security. HGVs will participate more in the financing of route costs following the introduction of a distance-related motorway toll. These fees will be used to maintain and expand infrastructure; surplus fees will flow back into infrastructure plans for road, rail and water via a special financing company.

Our aim is to double the percentage of freight carried by rail by 2015. We intend to promote competition by granting non-discriminatory access to the rail network. EU efforts towards a service-oriented freight transport system must be increased.

The market introduction of innovative technologies must be stepped up and preferential tax treatment given to low-consumption passenger vehicles. R&D work on hydrogen-powered vehicles is required in order to replace fossil fuels in the medium term.

Preventive consumer protection

The BSE crisis has highlighted the fact that the present structure of the farming industry is incompatible with the principle of sustainable economic management and that conventional farming, aimed solely at high productivity, entails economic as well as health and ecological risks.

Consumer interests now take priority. But we need the participation of everyone including feedstuff manufacturers, vets, farmers, food industry and trade to make the difficult readjustment.

Consumers must be assured that food production poses no danger to health, is of high quality and as environmentally compatible as possible. Measures include watertight controls and quality labelling as well as a marked increase in the percentage of organic farms.

Healthy food must be available for everyone at affordable prices. Consumer interests vis-à-vis producers, retail traders and service providers will be served by the establishment of a Federal Office for Consumer Protection and Food Safety as well as an "Alliance for Consumer Protection and Agriculture".

4. At the forefront of progress

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Being at the forefront means making progress in communications and information technologies, biotechnology, material research, micro and nano-technologies as well as genetic engineering. The quality of research and the speed with which research findings are translated into production processes will determine whether we can utilise the employment potential of new discoveries.

Promoting innovation

For a country poor in natural raw materials, knowledge, new production methods, products and services are the major source of economic performance. Increasing global competition for new markets means that only constant innovation can guarantee long-term social security. Whilst R&D expenditure in Japan and the USA increased considerably, it stagnated in Germany from 1989-1997. We have initiated a change of course: never before has so much been invested in education, science and research (9.5% increase in 2001 budget alone).

Restructuring the research landscape

Structural reform is just as important as providing additional funding. We have moved away from the "watering can principle" of institutional aid to more project-related support.

But targeted support must not conflict with a comprehensive understanding of science. Humanities and social sciences have a central role to play in evaluating the consequences of technology and in the debate about the ethical aspects of research. We shall therefore continue to promote meaningful interdisciplinary work.

Under the motto "Knowledge creates markets" we shall improve the innovative ability of SMEs and create innovative growth pockets in structurally weak regions by promoting the foundation of new companies on the sites of universities and research facilities.

There have been positive developments in many regions of eastern Germany in recent years. But we are only at the halfway stage.

Modernising universities

This is a central task since the focal point of state responsibility for education and research lies with the universities. Federal funds have been markedly increased. A reform of the terms of service for professors is designed to give universities more scope to pay according to performance. A higher percentage of women professors is also a priority task. A further DM 600 million will be provided annually for the next three years to modernise equipment for vocational schools, for research projects in the new Länder and genetic research in the medical sector. We reject course fees for the first degree. The law which sets guidelines for higher education will be amended accordingly.

5. Opportunities for all

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Securing equality of opportunity

The education system must offer everyone the opportunity to develop abilities, help shape the future and assume responsibility. This calls for diversity rather than educational monoculture, i.e. targeted assistance for those with learning difficulties and for the particularly gifted. Vocational training must also be modernised to ensure that the demand for skilled workers can be met. Attention must be paid to widening the career spectrum for girls and young women, especially with regard to the next generation of scientists and engineers. Regional cooperation between the different school forms must be extended.

Upgrading vocational training and skills

In addition to general education, vocational training is a crucial basis for the career opportunities for young people. The anticipated shortfall in adequately trained specialists must be countered by modernising training courses and improving the quality of instruction. In the past two years, 43 new career profiles have been developed. This development must be targeted particularly at girls and young women whose potential and abilities are essential for industry.

It will also be important to offer vocational training to those with a poorer starting position, e.g. young people of ethnic origin and young resettlers. This is not only important for integration reasons but also necessary to meet future labour requirements. We cannot afford to allow potential skills go to waste.

We want to retain the dual system of company and school training. Vocational training must not be a dead-end. General education and vocational training must be more closely interlaced at all levels.

To avoid shortfalls in skilled workers it will be necessary to develop early warning systems which flag up qualitative and quantitative changes in labour demand. More than two thirds of German companies do not participate in vocational training. SMEs provide the largest proportion. Companies in German must recognise that increased training and the timely acquisition of skills, also by older employees, is in their own mid-term interest and should not be sacrificed to short-term profit-making objectives.

Developing further education

Society, technology and the economy are subject to rapid, fundamental and constant change. This has serious repercussions for education and employment. As the content and form of work change, so too do the requirements for skills and qualifications. More knowledge and individual initiative are called for. We need an offensive for a modern and efficient further education system which is more than just the sum of existing facilities and which makes the best use of resources, creates transparency, ensures access for all and guarantees quality.

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Lifelong learning is essential but initial vocational training and further education are still separate systems with different legal bases. The former is highly formalised whilst the latter is hardly structured at all. Content, structure and staffing should be more closely inter-linked. Groups to be targeted are women, older employees, the less skilled, unemployed and those threatened with unemployment.

Quality is important, so the professionalism of further education teaching staff must be ensured through qualification, experience and adequate payment. But time is also a vital factor. Those in work must be released for further education programmes. The unemployed must be granted access to a comparable extent.

Using the Internet for education and further education

The central task for education in the 21st century is to achieve equality of opportunity in the information society. The use of multimedia instruments offers opportunities to impart knowledge and skills. Greater stress must be placed on the principle of learning "on demand" and "on the job". This means:

- creating or developing the necessary infrastructure at schools, universities and further education establishments;
- spreading IT skills among pupils, school and university teachers;
- promoting teaching and learning software;
- bringing skills from industry into teaching establishments..

6. Displaying liberal-mindedness and tolerance

Germany is a liberal and tolerant country. This is not just a consequence of our history but also the precondition for a future in peace and prosperity. It is the joint task of politics and society to ensure this, but each individual can also make a personal contribution.

Combating right-wing extremism

Right-wing extremism poses a daily threat to our country's internal peace.

Right-wing extremism questions the fundamentals of our society –commitment to inalienable human rights and the principle of the separation of powers. Combating right-wing extremism is therefore a duty for all democrats.

The series of right-wing extremist acts of violence and provocation by the NPD, neo-nazi groups and skinheads has shown quite clearly that this can no longer be treated as a marginal problem. The commitment demonstrated by our entire society shows that our democracy is strong. But we must continue our efforts against the right wing, including the petition to the Federal Constitutional Court for a ban on the NPD.

Naturalisation easier

The SPD-led government has introduced modern and effective naturalisation and nationality legislation. We have achieved our goal. We did not want the indigenous population and foreign residents to grow apart. We hope that many people will make use of this law.

Same-sex partnerships

By establishing the institution "registered life partnership" we acknowledge the realities of modern life and create legal security for same-sex partnerships. It will enable them to live in a legal form recognised by society. We are thus sending a signal for greater humanity and tolerance.

Immigration

Germany is an immigration country. Immigration takes many forms: family reunification, asylum, quota arrangements for foreign workers, humanitarian grounds and resettlement. In recent years, the balance has been negative, i.e. more people have left Germany than new people arriving.

But immigration alone will not solve the demographic problems of either our shrinking and ageing population nor the growing shortfall in skilled workers. We must do more ourselves: by promoting families and family-friendly working conditions; increasing the number of women at work; improving skills and further education.

We shall not allow the economically desirable immigration of skilled workers to be played off against asylum law. The Amsterdam Treaty set out the foundations for EU asylum policy and these were further developed in Tampere. We want to continue along this path towards developing a European immigration and asylum policy.

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V. Security in change: ready for the future

Social change is moving at a rapid pace. It offers opportunities but the speed and uncertainty are unsettling. Many people have a growing need for security and guidelines, reliability and predicatability.

Policies must enable people to participate in social progress and strengthen shared responsibility at all levels. This includes transparency of political decisions, credible information and institutions which provide freedom of decision without overburdening the individual. We want to be a reliable partner and assist people in coming to terms with the changes whilst also promoting their own responsibility and cohesion.

Germany is well-prepared to meet the challenges of the future. But we do not intend to rest on our laurels. Security for the future is only possible through further change. Standstill would destroy the basis for security. But change requires a consensus, which we shall continue to seek. We shall lead Germany securely through this process of change. We are ready for the future.

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SUMMARY TRANSLATION

Development policy

Giving globalisation a human element

1. The aim of development policy is to give globalisation human, social and ecological elements. This is a dictate of political reason, solidarity, humanity and self-interest. It is a positive investment in our own future. Relatively rich countries will not be able to survive if they are surrounded by oceans of poverty.

2. The new German approach has increased the weight of development policy at national, European and international level. Successes to date: debt forgiveness initiative for the poorest developing countries; IMF and World Bank policy changed in favour of combating poverty; development partnership with industry; greater opening of (European) markets for products from developing countries. But additional efforts required in six main areas: promoting security and peace; creating fair international competitive and economic relations; protection of climate and environment; safeguarding and strengthening democracy and human rights; equal participation of women in development processes; overcoming the digital divide.

I. Strengthening freedom - human security through development

3. Development policy is also peace policy. An important contribution to global human security in times of continuing and new confrontations. SPD supports the strengthening of regional cooperation and integration. We want intercultural dialogue, focusing on shared values.

4. Development policy has great experience in dealing with conflicts. Conflict management on four levels: (i) conflict prevention by combating causes such as poverty, persecution, lack of political involvement and environmental damage; (ii) mediation and de-escalation; (iii) post-conflict management; (iv) promoting inter-ethnic and intercultural dialogue.

5. German international policy must be in a position to contribute to international crisis prevention, conflict settlement and peace consolidation.

6. Focus also on preventive aspects of development policy: removing structural economic, social, political and ecological causes of conflict and strengthening mechanisms for non-violent conflict management.

7. Federal Government's restrictive arms export policy is welcomed and must be applied consistently.

II. Giving globalisation a human element - asserting global responsibility

8. Democracy and social justice are global issues in the 21st century. Question is whether principles established at national level can be anchored in the global economy and society, whether an attempt is made to tame global capitalism and whether all regions participate as equals in shaping globalisation. Those who leave everything to the alleged free play of market forces are acting undemocratically and will merely exacerbate existing injustices and widen the huge gap between poor and rich. We seek cooperation with all those

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committed to the social and ecological shaping of globalisation by non-violent means. We want a reform alliance between the industrial and developing countries on the one hand and civil society on the other. Churches and NGOs are important partners.

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9. Economic globalisation is changing the world. We want to gear globalisation to an international, social and ecological market economy to link economic performance with social justice and ecological responsibility.

10. Development policy must also be global structural policy. Globalisation must help to overcome poverty, hunger and sickness as well as preventing environmental damage. 55% of funds for public development cooperation come from the EU and Member States. It is part of Germany's responsibility to use its weight in Europe and the world to further these aims.

11. SPD supports government efforts to reform international financial and development institutions. Emphasis must be on strengthening the competences of the institutions with regard to socially acceptable and environmentally compatible development.

12. SPD welcomes government aims to create fair international competitive and economic relations and improved opportunities for developing countries, including their involvement in the WTO.

13. SPD calls upon government actively to promote financial architecture. Main aims: prevent speculative „casino capitalism“ and secure stable financial markets as a motor for economic growth and employment. This is also an important contribution to prevent extremist groups abusing the international finance system for their own ends, e.g. money laundering.

III. Overcoming poverty - the key task

14. Poverty violates human dignity, obstructs human rights, especially those of women and children, increases population growth, exacerbates refugee and migration problems, leads to environmental damage and conflicts over vital resources such as water and land. Combating poverty is also an ethical, political, social, economic and ecological imperative. and thus a focal point of development policy.

15. Poverty is not just a lack of finance but a lack of access to adequate employment, food and health facilities, education, natural resources, credit, information, political participation, services and infrastructure. We support the approach of sustainable economic growth and increases in productivity. But considerable additional and joint efforts will be needed to halve the number of those living in poverty by 2015.

16. The aim of providing 0.7% of GNP for development cooperation must be clearly reflected in the government's future programme. We support the call by the managing director of the IMF and the President of the World Bank to implement this international target gradually in Germany and want to take this into account by an annual increase in the corresponding funds.

17. Multilateral approach, but partner countries must also make the necessary efforts with regard to responsible government, observance of human rights, combating corruption and terrorism, establishing democratic and market economy structures.

18. Combating poverty and democratisation are inconceivable without the participation of the civil society. .

19. Women are a key factor in overcoming poverty. They must be involved in development and political decision-making processes.

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20. The poorest must be granted access to credit and basic social services, especially medical care, AIDS help and family planning measures. Federal Government providing DM 140 million bilaterally to combat AIDS in 2001. Additional DM 300 million promised to global AIDS fund.

21. Multilateral development cooperation must be strengthened - greater coordination of programmes by bilateral donors, EU and UN. World Bank and IMF must implement and expand their action plans on combating poverty.

22. No success in fight against poverty without effective debt remission for the poorest. Federal Republic will contribute over DM 10 billion to total debt remission of \$US 70 billion. This initiative must be swiftly advanced.

23. Fight against poverty also requires stable international financial system with transparent capital markets, fair economic relations and open markets with respect for adequate social and ecological standards in the labour and production sectors.

24. It is essential that all sources of development financing are regarded together and better national and international framework conditions are created. Innovative schemes should be examined, e.g. a World Solidarity Fund financed with a tax on worldwide short-term speculative foreign exchange transactions. But we shall also examine other proposals, e.g. those of the Zedillo Commission. The SPD expect the Federal Government to table a suitable initiative at the UN Development Financing Conference in 2002.

IV. No development without an intact environment – sustainable use of resources

25. An intact environment is fundamental to sustainable and humane development. The targets set out in Agenda 21 for environmental protection remain a broad aim of our entire policy.

26. The SPD calls for implementation of the tasks and goals for sustainable development agreed at the 1992 UN Conference in Rio de Janeiro, namely to take increased measures to develop renewable energies such as solar energy and to combat environmental dangers such as climate damage, drinking water shortages, land erosion and deforestation.

27. The SPD welcomes the UN "Millennium Declaration" calling for a new ethical approach to ecological protection. The 1997 Kyoto targets for reducing greenhouse gases to combat global climate change are essential. To strengthen international environmental and development policy we call upon the Federal Government to propose the establishment of an "Earth Commission" along the lines of the Brandt Commission. The Party Conference expects the Government to table a corresponding initiative at the "Rio+10" Conference.

28. Drinking water shortages will also be a central challenge of the 21st century. 1.2 billion people have no access to clean drinking water. The forthcoming Water Conference in Bonn in December 2001 and the "Rio+10" Conference in Johannesburg must be used to develop corresponding approaches for sustainable water management and new alliances for their implementation.

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V. Development has no goal without human rights, no anchor without democracy

29. Asserting and upholding political, economic, social and cultural human rights and the democratic participation of the people in political processes are necessary prerequisites for viable and sustainable development. This includes asserting the rights of women, children and minorities and the right to development.

30. Human rights must be given greater attention in the planning and implementation practice of international financial and development institutions, the WTO and the relevant UN organisations. The Federal Government should coordinate matters with OECD and EU partners and use the weight of the EU to a greater extent.

31. The reform of administrative structures, decentralisation and the building and stabilisation of an efficient legal system based on fundamental rights are crucial for democracy.

32. To secure the efficiency and stability of democratic processes, suitable measures should be promoted to create and strengthen democratic, political, trade union and parliamentary structures. In a number of countries it will be a matter of first (re-)establishing state order.

VI. Promoting communication – participation in the global knowledge-based society

33. Developing countries deserve greater support in obtaining access to new information and communication technologies. Decoupling people in developing countries from the digital artery of global society would further hinder their chances of development. We welcome the initiative launched by the UN Secretary General in summer 2000 to overcome the digital divide between industrial and developing countries as well as the results of the G7 DOT-Force. Since information and communications technologies are an important basis for globalisation and the global knowledge-based society, they must be accorded greater attention in development policy cooperation, also as instruments for combating poverty.

34. Information and communications systems facilitate access to knowledge, crisis prevention and the political participation of the poor and civil society institutions.

35. The SPD wants modern infrastructures, such as village Internet centres and cafes, to be made available to the poorest sections of the population and also to women and children.

36. Last year the World Bank founded a distance learning network with teaching and learning centres, also in developing countries. The SPD supports the initiative to establish a national digital centre for development learning.

VII Broad-based anchoring of development policy and concentration of political forces – a new reliable basis for coherence

37. Development policy needs a broad anchoring in the population and in all social institutions.

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38. Decision-makers must become more aware of development policy requirements. We need a new initiative for development policy thinking and acting well beyond the present circle of players. The new importance of development policy must be accompanied by a discussion process which mobilises popular support.

39. Development policy is a wide-ranging task incorporating central issues of survival. Success depends on effective coherence of overall policy and the coordination of goals and actions at national, European and international level.

PARLIAMENTARY GROUP OF THE PARTY OF EUROPEAN SOCIALISTS



The President

Brussels, 8 November 2001

Mr Tony BLAIR
Leader of the Labour Party
Millbank Tower
Millbank
UK-LONDON SW1P 4GT

Dear Tony,

The recent meetings of Heads of State and Government in Ghent and London, outside of the framework of European Council meetings have provoked considerable debate in the European media. This has been a potential source of friction within our political family.

I am writing to you because these questions have, naturally, emerged within the Group and following a debate within our Bureau, we agreed that I should write to all of our Party Leaders to explain the common position we came to as a contribution to overcoming the potential difficulties and divisions.

For us, it is clear that, instead of criticising particular Member States who, quite naturally, are meeting because of their direct involvement in the anti-terrorist coalition with the United States, the European Union should be attempting to overcome the current institutional vacuum which has led to this situation. The moment has come to consider the question of a common defence within the constitutional process which was launched at Nice and whose agenda will be decided in Laeken.

The seriousness of the current threats to global peace and stability require a united Europe that is capable of speaking with a single voice and acting together. The lack of an institutional framework in which the political and military responses to terrorism can be decided has been exposed by the current crisis. The noise surrounding the meetings in London and Ghent are a reflection of this, but they are a symptom, not the cause.

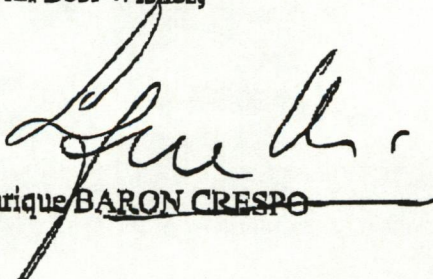
Great efforts are being made to strengthen our common responses in judicial, police and security matters. The European Councils of Brussels and Ghent, if they achieve their objectives, will be seen to have broken the Gordian knot of Tampere. However, we need to put the question of common defence on the agenda of the Convention at Laeken because otherwise there is no basis for a united European response to terrorism in matters of defence and foreign affairs. The tensions caused by the recent meetings of those Member States directly involved in the coalition could then continue to rise, particularly as discussions take place within them on issues such as

Prime Minister - to note
copy Michael Baker
Stephen Wall
Jonathan Powell
Rachel Cowburn
IP pressure to communicate Defence -
after the controversy of Ghent + London. We
need to think of a better alternative.
Michael (as we discussed) is getting the
FIO to do you a reply to Franco in your
HOG capacity
Roger

humanitarian aid and economic policies which enter directly into the competences of the European Community and its institutions.

I am attaching the press declaration that I have made following the Group's discussion and I look forward to hearing from you,

With Best Wishes,



Enrique BARON CRESPO

c.c. Robin COOK
Javier SOLANA

Annex



PARLIAMENTARY GROUP OF THE PARTY OF EUROPEAN SOCIALISTS

PRESS INFORMATION

Enda McKay GSM 0032 (0)476 809 092 ; email:emckay@europarl.eu.int

Brussels 7 November 2001

PES GROUP/SECURITY

BARON : 'EU SHOULD CONSIDER RESPONSIBILITY FOR DEFENCE MATTERS'

The President of the PES Group in the European Parliament, Enrique BARON, has said that the moment has come for the European Union to seriously consider the inclusion of defence matters as a Community competence.

He said today, following a discussion in the Group's Bureau, that 'the current international situation requires a united Europe speaking with one voice. But there is no institutional framework in which the EU – or some Member States – could deliberate on their political and military response to terrorism. This, it should be noted, has immediate concerns for countries such as the UK and Spain. This requires the reinforcement of cooperation in justice and home affairs.'

Mr BARON continued 'In launching the Convention for the forthcoming Intergovernmental Conference, the European Council in Laeken should include in its agenda a discussion on a possible common defence policy having a Community competence thus providing a framework in which to develop EU capacities to face up to the security crisis.

'Now more than ever Europe must be united and avoid divisions that could prevent common positions being expressed in foreign policy and which should be adopted on a Community basis.

'Therefore, instead of criticising certain Member States because of their contribution to the fight against terrorism, the EU should fill the institutional gap that leads to a situation like the present one. It should offer positive proposals that allow for action to be taken in the security area under a Union Treaty more adapted to dealing with real problems', he concluded.

File.

THE CENTRE- LEFT'S OBJECTIVES FOR EUROPE

**Paper by Rt. Hon Charles Clarke MP for a meeting of the Parti
Socialiste/Labour Party Joint Working Group: Paris, November 8th 2001**

What are our political objectives of socialists and social democrats for the European Union? This is a prior question we must ask before we consider the future institutional shape of the Union. We must think through from the Centre-Left's point of view in both our countries what we believe Europe is for. This is the purpose of this paper.

I set out below six broad objectives that I assume we would all share for the EU:

- A full employment economy
- Greater social justice and opportunity for all
- A Europe of sustainable development
- A Europe that offers freedom and security to its citizens
- A Europe that is a force for good in the world
- A Europe that stands up clearly for the values of democracy, human rights and social justice.

The remainder of this paper addresses some of the key policy issues that, in my view, arise for us under each of these six headings, which I hope will guide our discussions.

A full employment economy

- Are the arrangements for **economic governance in the Eurozone** adequate to ensure that Europe's growth potential is achieved? This clearly raises questions about whether in taking interest rate decisions the Central Bank acts with sufficient speed, resolution and transparency. It also raises questions about the relationship between the ECB and the fiscal authorities and whether we need closer "co-ordination" of fiscal policy between Euro area members. Does fiscal co-ordination imply more than co-ordination of national budget deficits and surpluses to ensure a sustainable and appropriate fiscal position for the Eurozone overall? Or can we achieve this result without "heavy" co-ordination as long as a regime is in place that ensures every Euro member pursues sensible fiscal rules? Interference with the right of Governments to determine the levels of tax and spend that they regard as appropriate for their own countries raises critical questions of national sovereignty. Is this a political choice that on the Left we would want national Governments to continue to be able to make?

- How far do **labour markets and the welfare state** in Europe need reform. European labour markets are clearly dysfunctional. In the recent economic recovery unemployment never fell below 8 per cent. 1.7m. young people have been unemployed for more than six months in the EU. 5m. people have been unemployed for more than a year and employment participation rates particularly among the over 50s are unacceptably low. What changes in labour market policy are necessary to reintegrate the long term unemployed back into the labour market, to make work pay and to remove the disincentives that, in some cases, over generous welfare systems have

put in place? How do we combine responsibilities as well as rights in the welfare field?

- What are the benefits for **job creation potential in Europe of more open and competitive markets**? Europe's single market is clearly not complete in many areas not least, energy, transport and financial services. How can we open up these markets in line with the Lisbon commitments and at the same time ensure that essential public service obligations are met and consumer interests respected?

- Europe has much to do to strengthen its record in **enterprise and innovation**. What are the barriers to the creation of an effective European research area? What holds back Europe in the development of key technologies such as biotechnology, energy saving technologies? How do we ensure more successful commercial exploitation of research and innovation? As socialists and social democrats, do we believe that in the interests of a more dynamic economic and faster job creation it is right to increase incentives for entrepreneurship and what if any are the implications for business tax co-ordination/harmonisation?

Great social justice and opportunity for all

- The Structural Funds were invented to counter **regional inequalities** and build a more socially cohesive Europe. Is the analysis of regional inequalities that led to the creation of the Structural Funds still valid? How effective have the Structural Funds been in addressing the problem? What should be our future attitude to

regional inequalities given that with the accession of new members the whole pattern of regional inequality in the EU will radically change.

- **Efficient, high-quality public services** are essential to achieve greater equality, justice and opportunity in our societies. Are we agreed that responsibility for this, methods of financing and patterns of provision should remain the central responsibility of national and sub-national governments? What then should be the role of the EU in this field: ensuring fair treatment for EU citizens working outside their own Member State, rules to facilitate mobility? How big should be the European role in health policy – e.g. should the role of the EU extend beyond approval of pharmaceuticals for the EU market to trying to secure the most effective forms of treatment for particular diseases?

- The problems of **social exclusion and discrimination** are many faceted and difficult to tackle. What is the role of legislation in overcoming discrimination and how far needs it to be set at European level? What is the scope for learning from each other in devising policies and reshaping public instruments that tackle social exclusion more effectively?

- **Education is clearly critical to equality of opportunity.** Again this is primarily a national and sub-national responsibility. But what might be the EU role for example, in promoting a digital curriculum, setting goals for language teaching and training, facilitating effective cross-border school

links and education exchanges; university reform and ensuring Europe develops world class centres of excellence.

- **Pensions** pose a huge problem for the future in several Member States because of ageing population. The issues this could pose for fiscal sustainability make pensions a question of common European concern. What is the EU role in ensuring pension sustainability and adequacy? Should all Member States be aiming to move towards a tiered approach to pensions that combines minimum state guarantees, tax credits that help less well off pensioners and cost effective, secure funded pensions as a third tier? Part of the solution to the pensions issue is to prevent unnecessary early retirement and pursue policies that activate far older people into paid employment. How can the EU help promote this?

A Europe of sustainable development

- Europe has committed itself to the **Kyoto** targets. Meeting them is essential to the credibility of the whole Kyoto process. Are we satisfied that the mechanisms are in place to ensure the EU meets those targets.
- **Energy security** is a huge issue for us given the insecurities of the world and our increasing dependence for oil and gas on the former Soviet Union. Do we need to rethink our attitude to nuclear power? How can we avoid over-dependence on one source of energy? How do we ensure that renewable energy has a viable future?

- If we are serious about **sustainable development**, we need to achieve a modal shift from road and air to **rail** for freight and international passenger services. How do we help bring about an attractive, integrated rail infrastructure across Europe? Can we use cross-border service liberalisation as a tool?

A Europe that offers freedom and security to its citizens

- September 11 is leading to a huge step forward in **policing and judicial co-operation**. Where do we envisage that this co-operation will eventually lead? How do we ensure that in our proper desire to fight terrorism effectively, essential civil liberties are protected?
- **Asylum and immigration** policies are likely to be very high profile in the years ahead particularly when the EU enlarges and we have a new common border. Can a common European approach to asylum policy achieve what national policies have so far failed to bring about satisfactorily: a combination of providing a legitimate refuge for those seeking asylum together with proper controls and enforcement to prevent illegal immigration. As for legal migration, how much immigration does Europe need given the demographic outlook and how as Member States, should we manage that process?

A Europe that is a force for good in the world

- What are our objectives for the **next WTO round**? The developing world will ask of Europe to face up to difficult question of removing agricultural

production and export subsidies – also less aggressive enforcement of anti-dumping measures. What are we hoping to achieve through adding social and environmental objectives to trade policy so that more open trade continues to work to the advantage of the developing world.

- As a common (not single) European Foreign and Security Policy becomes more vital, how does the EU make its existing **CFSP instruments** more effective? For example we face the dilemma that, in principle, aid and assistance programmes administered through the EU should have a more effective impact than bilateral aid through Member States, but all too often the opposite is the case.

- As the United States looks to Europe to maintain security on its borders without as much US support, how do we fill the military capability gaps that are essential if **European defence** is to be effective? What is the future prospective for defence spending in Europe given the importance that politically the Left attaches to social priorities?

- How do we ensure **effective engagement with the wider Europe** beyond the EU, especially Russia? Are we prepared to take radical steps to create a common economic space with Russia and Ukraine as long as these countries fulfil the requirements for WTO membership or will the forces of internal protectionism within the EU prevail? What closer relationship do we foresee for Russia with NATO ?

A Europe that stands up clearly for the values of democracy, human rights and social justice

in Dec in box



10 DOWNING STREET
LONDON SW1A 2AA

From the Senior Policy Adviser

23 October 2001

Dear Charles

**PARTY WORKING GROUP WITH FRENCH SOCIALISTS,
8 NOVEMBER**

As you requested, I have drafted a paper for you to send to the French Socialists for our meeting in Paris on 8 November.

I have called the paper the "The Centre-Left's Objectives for Europe". We agreed, when we met at Conference, that we did not want the Working Party simply to replicate the agenda of discussion between our Governments on EU business. EU business is obviously relevant to the subject of the paper but our presumption is that we should start with looking at what socialists and social democrats want to achieve through the European Union before we tackle institutional questions. So the "leitmotif" of this paper is "What Europe is for?".

I am sure you will want to change it but I hope very much something on these lines is what you had in mind.

One critical point for our discussion with the French and German parties is how we position ourselves in relation to the euro. We are talking here about the future shape of Europe. My view is that it is entirely consistent with Government policy, given our support for euro membership if the economic conditions are right, to hold these discussions with our partners on the basis that sooner or later we will be a member of the euro area. It is also, I think, best from the perspective of our own long term policy development, to think in these terms. I am also copying this to Peter Hain at the Foreign Office.

Yours sincerely

Monica Jaleel

PP ROGER LIDDLE

The Rt Hon Charles Clarke MP

THE CENTRE- LEFT'S OBJECTIVES FOR EUROPE

Paper by Rt. Hon Charles Clarke MP for a meeting of the Parti Socialiste/Labour Party Joint Working Group: Paris, November 8th 2001

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Great social justice and opportunity for all

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regional inequalities given that with the accession of new members the whole pattern of regional inequality in the EU will radically change.

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A Europe of sustainable development

- Europe and each member state if committed to **Kyoto** targets. Meeting them is essential to the credibility of the whole Kyoto process. Each country needs to take action to meet their commitments. The UK wants to see market mechanisms such as trading at the forefront of this. What role should the EU play in this?
- **Energy security** is a huge issue for us given the insecurities of the world and our increasing dependence for oil and gas on the former Soviet Union. Do we need to rethink our attitude to nuclear power? How can we avoid over-dependence on one source of energy? How do we ensure that renewable energy has a viable future?

- If we are serious about **sustainable development**, we need to achieve a modal shift from road for freight and international passenger services, while avoiding an unsustainable growth in demand for air. How do we help bring about an attractive, integrated rail infrastructure across Europe? Can we use cross-border service liberalisation as a tool?
- What role can the EU play in the World Summit on Sustainable Development in Johannesburg September 2002?

A Europe that offers freedom and security to its citizens

- September 11 has emphasised the need for effective police and judicial **co-operation**. Where do we envisage that this co-operation will eventually lead? How do we ensure that in our proper desire to fight terrorism effectively, essential civil liberties are protected?
- **Asylum and immigration** policies are likely to be very high profile in the years ahead particularly when the EU enlarges and we have a new common border. Can a common European approach to asylum policy achieve what national policies have so far failed to bring about satisfactorily: a combination of providing a legitimate refuge for those seeking asylum together with proper controls and enforcement to prevent illegal immigration. As for legal migration, how much immigration does Europe need given the demographic outlook and how as Member States, should we manage that process?

A Europe that is a force for good in the world

- What are our objectives for the **next WTO round**? The developing world will ask of Europe to face up to difficult question of removing agricultural production and export subsidies – also less aggressive enforcement of anti-dumping measures. What are we hoping to achieve through adding social and environmental objectives to trade policy so that more open trade continues to work to the advantage of the developing world.

As a common (not single) European Foreign and Security Policy becomes more vital, how does the EU make its existing **CFSP instruments** more effective? For example we face the dilemma that, in principle, aid and assistance programmes administered through the EU should have a more effective impact than bilateral aid through Member States, but all too often the opposite is the case. There is a pressing need to use aid to target the poorest people. How can we make EU aid more effective and focussed on poverty?

- As the United States looks to Europe to maintain security on its borders without as much US support, how do we fill the military capability gaps that are essential if **European defence** is to be effective? What is the future prospective for defence spending in Europe given the importance that politically the Left attaches to social priorities?
- How do we ensure **effective engagement with the wider Europe** beyond the EU, especially Russia? Are we prepared to take radical steps to create a common economic space with Russia and Ukraine as long as these

countries fulfil the requirements for WTO membership or will the forces of internal protectionism within the EU prevail? What closer relationship do we foresee for Russia with NATO? On Africa, how can the EU ensure that its policies enhance development on every front, from conflict, to trade to aid.

A Europe that stands up clearly for the values of democracy, human rights and social justice

- How does the Left respond to the rise of the **extreme right** in Europe? What should be our attitude if in future EU Member States have Governments that are strongly influenced by extreme right forces?

- What is the role of the **Charter of Rights** in guaranteeing essential rights and freedoms for EU citizens? The Parti Socialiste would like to see the Charter incorporated in the Treaties. However there are issues of compatibility with the ECHR as well as the question of whether social rights should be contained in a justiciable document.

This is a long agenda for policy debate. I suggest that at our first meeting we identify what we regard as the most important issues and set up sub groups to work on them. Once we have become clearer about our mutually shared objectives, we can then consider the institutional reforms that we believe to be necessary in order to deliver the European Union that we want.

FAXED - To PM's Party, New Delhi
PRIME MINISTER 5/10/01

From: Roger Liddle
Date: 5 October 2001

cc: Jonathan Powell
Robert Hill
Katie Kay

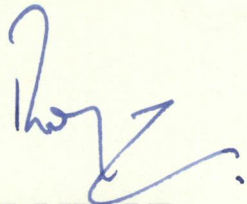
LABOUR MOVEMENT FOR EUROPE ANNIVERSARY RECEPTION

The LME are planning a Parliamentary reception at the end of October to mark a double anniversary: the 40th of the establishment of the Labour Committee for Europe and the 30th of the Commons Division in October 1971 where 69 Labour MPs voted for British entry into the Common Market. They are very anxious to invite you, even if you could only pop in for 10 minutes.

All the surviving members at the time of the two events would be invited. That will include Roy Jenkins, Shirley Williams, Bill Rodgers and several others who joined the SDP, but also Roy Hattersley, Tam Dalyell and others who stayed with Labour.

Jim Cattermole who served as Secretary to the Labour Committee for Europe from his retirement as East Midlands Regional Organiser in 1972 until very recently, is pressing me very hard about whether you could attend. It would obviously be a very nice gesture to someone who has given such distinguished support to the cause of Labour and Europe, even through the darkest days. However, he fully understands that in present circumstances you could not give a binding commitment.

The reception is being sponsored by the AEU and Ken Jackson will be the host, along with Bill Rammell MP. The date is Tuesday, 30 October starting at 6.30pm. Bill Rammell is writing formally to invite you.



ROGER LIDDLE

WED 25 JUL 01 17:11

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RESTRICTED



British Embassy
Paris

35, rue du Faubourg Saint-Honore
75383 Paris cedex 08

James Morrison Esq,
The Foreign Office

25 July 2001

RL
cc: JS
JPO
MT
RCW
FC

(sent James)

MR HAIN'S MEETING WITH HENRI NALLET

1. You and I sat in on Mr Hain's meeting with Henri Nallet, the International Secretary of the Parti Socialiste, earlier today.
2. Nallet emphasised how keen the PS remained to move forward with the proposed **PS-Labour Party working group on EU issues** and welcomed the Prime Minister's agreement to get it set up for the Autumn. There were a range of issues that could be tackled, such as public sector reform and the development of European defence, but the obvious starting point was the 2004 debate, on which Jospin had made what could only be described as a rather British speech.
3. Nallet acknowledged that PS/Labour relations had not always been as productive as they could have been and that the PS had probably failed to think deeply enough about what the "Third Way" really meant. But that was water under the bridge and there was now a real commitment to work together, as the PS already did with the SPD.
4. Mr Hain welcomed this, undertaking to ensure that the working group idea was taken forward, and emphasising that the UK was looking for a range of partners around the EU. We were close to Spain and Italy on some economic issues, but this was not meant to rival the Franco-German relationship and we wanted to work closely with Paris.
5. Nallet turned to the PES, saying that he had high hopes of what Robin Cook could achieve as the new President. The PES needed an active and committed President if it were to more be than an empty shell. In his view there was a case for setting up a Praesidium, made up of the President and one delegate per national party, which would direct a work programme. The President might appoint Vice Presidents charged with driving work in particular areas and delegates would have to be capable of making real time commitments. The kind of subject that the work programme could address included environmental policy, overseas development, public services reform and the Left's overall ideological programme.

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6. Mr Hain welcomed these ideas and undertook to speak to Robin Cook about them. He agreed that inter-party dialogue was becoming more important and that it needed to be focused on concrete policy issues. He would add dealing with the anti-globalisation movement as an obvious issue of common concern. Mr Hain also mentioned that the Labour Party now had two MPs charged with relations with France, Phyllis Starkey and Janet Anderson.
7. The rest of the discussion focused on **French domestic politics**. Nallet thought that the Presidential race remained wide open. Neither Jospin nor Chirac would confirm their candidature until early 2002, but undeclared war would rage between now and then. Chirac remained a formidable campaigner, with people skills that Jospin found hard to match, but it was possible – no more – that eventually accusations of corruption would sink his campaign. Jospin's selling point was that he had run France well for the last four years, but this could be hurt if the economy nosedived. For now, the worst case scenario was still 2% growth.
8. If Jospin won, the Left might just sneak the Parliamentary elections that follow. If Chirac won, the Right would sweep them, aided by the decline of the National Front.

V
10WB,

Angus

Angus Lapsley

Tel: 00 33 1 44 51 32 11

Fax: 00 33 1 44 51 34 85

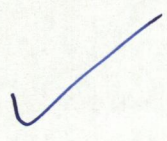
Email: angus.lapsley@fco.gov.uk

cc: PS/The President of the Council
 PS/The Minister without Portfolio
 Roger Liddle, No 10
 Martin Donnelly, Cabinet Office
 Caroline Wilson, UKREP - by e-mail ✓
 Philip Malone, EUD(B) - by e-mail ✓
 Ed Owen, Special Adviser - by e-mail ✓

EUROPEAN PARLIAMENTARY LABOUR PARTY

8th June 2001

Rt Hon Tony Blair MP
Prime Minister
10 Downing Street
LONDON
SW1A 2AA



Dear Tony

Many congratulations! Labour's European Members of Parliament look forward to continuing to work with Government and Party to advance the cause of modern progressive politics at home and across Europe.

I was delighted by the positive and proactive stance you took on Europe during the campaign. Your personal lead was vindicated by the failure of the Tory's shallow and opportunistic anti-european policies to sway voting intentions.

On behalf of your 29 Labour Euro MPs, I offer the following points for your consideration:

- The status and resourcing of the Minister for Europe need to be enhanced, preferably to Cabinet level. The Minister will be pivotal in shaping the UK debate on Europe, to the Minecor / Supercor process, and in continuing the Step Change strategy.
- The Party's International Secretariat must be boosted. Due to historic underfunding, and a lack of appreciation of its potential, the Party remains the weak link in Step Change.
- Plans to fully fund and win the 2004 European Elections need to be drawn up now. We must learn the lesson of the 1999 defeat.

I enclose two documents, one drawn up by Linda McAvan, Deputy Leader of EPLP, Peter Coleman, Secretary General of EPLP and myself, at the request of Maggie Jones, Chair of the NEC; the second by Gary Titley MEP, who is responsible for Step Change and Minecor within the EPLP.

Your Labour Euro MPs look forward to continuing to work with you as both Prime Minister and Leader of the Party. We face many challenges together – the Euro referendum, the Britain in Europe debate, and the development of Partnership in Power, to name but three. Like you, we value the Link system



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email: eplp@geo2.poptel.org.uk website: www.eplp.org.uk

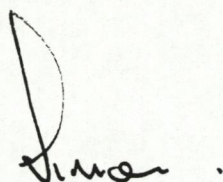
GROUP OF THE PARTY OF EUROPEAN SOCIALISTS

for Government – Euro MP interaction, and the continuity provided by Rachel Cowburn, the Euro MP Liaison Advisor in the Political Office.


Once again, many congratulations on behalf of the European Parliamentary Labour Party

Best wishes.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Simon", with a small dot at the end.

Simon Murphy
Leader
European Parliamentary Labour Party

A long, thin, slightly curved handwritten line, possibly a flourish or a signature.

STEP CHANGE AND ITS FUTURE

There is no doubt that Step Change in its various manifestations – Minecor, Supercor and Country Liaison – has been a success. We have moved a long way towards integrating the European debate into the mainstream government agenda. Everyone involved is now much more aware of the importance of building up long term relationships with our partners both within the EU and the accession states.

To a large degree however, we have been feeling our way in the dark. Now perhaps in the time to reassess where Step Change is going and how we can maximise its potential.

There is no doubt that the success of Step Change has resulted from the very clear mandate the European Minister has received from the Prime Minister. It is therefore essential that in the new government, after the election, that mandate is reaffirmed publicly. Also it is worth saying that the more senior in status the European Minister is, the greater weight he/she carries with his/her colleagues.

The inherent weakness of the Country Liaison Scheme is that it occupies a grey area between government and party work. As a result it can be difficult to harness the support of civil servants. Without compromising the position of civil servants, it should be possible for the European Minister to assert the need for them to be fully cooperative with Country Liaison. This problem particularly manifests itself in the difficulties which sometimes arise when Ministers wish to take advantage of an official visit to make party contacts. A clear message is perhaps needed to Ministers that party meetings are essential and that they ought to ensure that civil servants leave time for these to take place. It has to be emphasised that the purpose of such party contacts is to reinforce the Government's agenda. This maintains a "second front" in addition to the normal channels used by civil servants and diplomats. We should constantly remind ourselves that personal relationships are the key to doing business in Europe.

In order to make party meetings a success, Ministers need three briefs: on the party concerned, on the country concerned and on the British government's priorities. The second and third can be provided by civil servants. The first needs to be provided by the joint members' assistant in conjunction with the Labour Party's international secretary

and the PES secretariat. Full use should also be made of country liaison reports produced by MPs/MEPs. It is important that we make all concerned aware that the political office in No 10 is the focus for collating this information and for up to date guidance on No 10's thinking on particular issues.

At the moment it is not clear who is administratively responsible for Country Liaison/Step Change. Meetings are currently called by and minuted by the Europe Minister's private Westminster office. Reports are sent to the Minister's Westminster Office which forwards them to the appropriate desk officer. They are also sent to the joint members assistant. It is not clear who is responsible for following up matters. This can create confused lines of accountability and duplication. It also places a burden on the Minister's Westminster staff and/or constituency office. The most obvious solution would be if it were possible for the Europe Minister to have a political adviser. The second best solution would be for there to be joint secretaries with a clear division of responsibility between the Minister's office which would be responsible for administration and the joint members assistant responsible for follow up using the full weight of No 10's backing.

The biggest weakness in Country Liaison remains the "black hole" into which information goes. Country desk officers should be expected to respond in writing to recommendations made by Country Liaison MPs/MEPs. These responses should form part of the Step Change agenda so that progress could be chased.

We need to define more clearly what we want Country Liaison's MPs/MEPs to do. There should be a single page strategy produced for each country outlining the strengths and weaknesses of our relationship with them and recommending action for the future. Regular updates of activities need to be provided even if these are only short notes of meetings. We should also clarify what sort of information is needed for party briefings and encourage members to respond quickly to requests for updates to such briefings.

MPs should be encouraged to meet with visitors from their allocated countries and to meet regularly with the relevant Ambassadors. MEPs' main emphasis as now would be to establish relationships with the missions to the EU, take advantage of the opportunities in Brussels to

establish relationships with the representatives of their countries and to use their Euro travel allowance to visit the country concerned.

We should be reassessing the activities of Minecor. What is Minecor for? Is it to ensure Ministers are building links with partner countries? Is it to put across the government's message to Ministers? Is it to flag up the issues which will arise in the short and medium term? Is it to get Ministers to think of Europe as part of the solution rather than part of the problem? At the moment Minecor risks trying to put too much into a short period of time and so becoming unfocussed. We should use the time between now and the new government to get a clearer definition of the role of Minecor. It would certainly help if issues for discussion were circulated before the meetings so that Ministers could come briefed. It might be worth considering two sorts of meetings. A business meeting involving progress chasing every other month and a 'thematic' meeting in between. The latter meeting would consider upcoming Presidencies, Summits and so on.

It is crucial to the success of Minecor that all the relevant government departments attend. Currently, attendance is very patchy with some departments always attending and others rarely in evidence. This was an area the PM can stress when the new government is formed. Indeed it is essential that the PM himself attends an early meeting of Minecor to give it his personal direction and stamp of approval.

It will also need to be emphasised that it is not possible to have an effective Step Change operation without the International Secretariat of the Labour Party. We must stress that the Secretariat should not be weakened in any future re-organisation which may take place.

Finally, two points:

1. We must constantly stress the long-term nature of this project. We should not only be looking at the next Presidency, but we should be building relationships with countries taking the Presidency in three years time.
2. We should continue to get MEPs more integrated into the Westminster/Whitehall scene. We should be pushing for MEPs to be represented on bodies on which MPs serve, such as the Westminster Foundation.

Action Points

Step Change has been a success, but we must build on it.

- It is important that the PM continues to give his full backing publicly. He should reiterate this at the beginning of the new Government.
- Building long term relationships is vital, but more thought needs to be given to the position of civil servants in the grey area between party and government activity.
- The No 10 Political Office should be the focus of collating party briefings.
- Need to sort out who is responsible for the administration and the progressing of Step Change.
- Need to establish a system of formal responses to recommendations made by Country Liaison MPs/MEPs.
- Need to define more clearly the purpose of Minecor and its methods of working.
- The Labour Party's International Secretariat must not be weakened.
- MEPs need to be more integrated in the Westminster/Whitehall scene.

Gary Titley MEP, 4th April 2001

EUROPEAN PARLIAMENTARY LABOUR PARTY

Achieving our Ambitions for Britain : The role of the European Parliamentary Labour Party in meeting Labour's Aims

Tony Blair has declared in the Manifesto that "we will turn our inner confidence to strength abroad in Europe and beyond". He goes on to declare "we will engage fully in Europe, help enlarge the European Union and make it more effective, and insist that the British people have the final say on any proposal to join the Euro."

The challenge to the electorate in the manifesto states "We face a very simple question. Do we want to be part of the change, influencing its direction? Or do we want to opt out? We have spent 50 years on the margins; it is time to make the most of our membership."

In addition to its Parliamentary work, the role of the EPLP is twofold – to promote Labour's policies to the Party membership and the electorate, and to promote these policies to sister parties across Europe to help effect a step change in our influence and standing.

If we are to give full support to these aims, the limited EPLP resources will need to be geared both to short term and long term aims.

These should include –

- *winning the Referendum on the 'Euro', 2004 European Elections, and the 2005/6 General Election,*
- *MEPs as a key regional interface with party membership*
- *maximising the effectiveness for the party organisation of our support and expertise,*
- *MEPs central to 'Step Change' strategy*

Objective : winning the referendum on the 'Euro', European Elections in 2004 and the 2005/6 General Election.

The winning of the referendum, and the European Elections in 2004 requires not only EPLP resources, but sufficient additional Labour Party provision to be made.

EPLP support can be achieved through - materials directed at the single currency referendum, establishment of a 'referendum unit', augmenting our Opposition Watch with a 'Euro Watch' both within the European Parliament and other European Institutions and by providing a campaign strategy over the next three years for all 29 Members.



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email: eplp@geo2.poptel.org.uk website: www.eplp.org.uk

GROUP OF THE PARTY OF EUROPEAN SOCIALISTS

Objective : MEPs as a key regional interface with party membership leading to winning in 2004.

MEPs need to be recognised as key regional politicians with an important role in motivating, educating and organising the Party membership. Thought needs to be given to maximising this potential, creating better accountability for party members, and developing MEP support roles with regional offices.

Our objective must be to agree a selection procedure for presentation to this years conference which provides for transparency, membership involvement and a fair deal in line with the principles used for Westminster MP selections for sitting Members of the European Parliament. This can be achieved through our submission to the 21st Century Party which provides for OMOV ballots based on two sections, re-selected MEPs in one section and a new candidates section which includes positive action for women and ethnic minority candidates.

The early selection of candidates to provide a base for building regional campaigns with a national strategy in which both the Candidates and Members feel some ownership, creating for the first time ever in the European Elections – a well thought through and properly funded Labour Party European campaign.

Objective : Maximise support and expertise for providing a well informed party membership on the main issues at the centre of the Prime Ministers Manifesto commitments.

In the short term, the EPLP media exercise will be serviced by one member of staff in the Brussels Offices. She will have responsibility for publicising the development of the debate on 'the future of Europe' within a strategy to be discussed at the EPLP Awayday in late June.

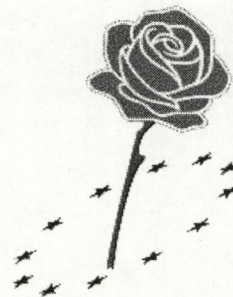
The EPLP has a responsibility in ensuring that 'The Treaty of Nice' is understood by party members, and that the debate to be launched in the autumn on the future of Europe is properly funded within the Socialist Group rules. In addition, to provide EPLP 'information money' resources to support the provision of regional policy forums on European Issues.

Objective : To build on our sister party relationships throughout Europe and the applicant countries.

The EPLP with the Minister for Europe and importantly with the pro-active and strategic support of the Labour Party, will need to build on the newly created contacts in our sister parties and Governments throughout Europe. Developing the views outlined by the Prime Minister in bringing about a 'step change' in our relationships. To realise the full potential of 'step change', Party, Government and Labour's elected representatives all have significant roles to play.

The EPLP is already active in this area for example by bringing Members from the Group of the PES to the UK on to gain information and understanding of our policies. By initiating further contact building visits by EPLP Country Liaison Members and developing a set of objectives in each of the Member States and applicant countries. The election of Robin Cook as President of the PES will also present us with many opportunities during the coming years.
30 May 2001.

De Europæiske Socialdemokraters Parti • Sozialdemokratische Partei Europas
ΕΥΡΩΠΑΙΚΟ ΣΟΣΙΑΛΙΣΤΙΚΟ ΚΟΜΜΑ • Party of European Socialists
Partido Socialista Europeo • Parti socialiste européen
Partito del Socialismo Europeo • Partij van de Europese Sociaaldemocraten
De Europeiske Socialdemokraters Parti • Partido Socialista Europeu
Euroopan Sosialidemokraattinen Puolue • Europeiska Socialdemokraters Parti



Infonote-en.doc

Brussels, June 8th, 2001

For the attention of the Leaders and Prime Ministers
of the PES Member Parties

Re: Additional information as to the PES Gothenburg Leaders meeting

Request to nominate personal representatives for a PES Working Group on sustainable development

Dear Friends,

We would like to bring to your attention the following points related to the PES leaders meeting next week Thursday June 14th in Gothenburg (16.30-18.30 hrs Folkets Hus, Olaf Palme Plats)

Agenda

- * Opening by PES President Robin Cook
- * Introduction to the Gothenburg EU Summit by SAP Leader Göran Persson (including transatlantic relations and enlargement)
- * Reactions and discussion
- * The PES initiative on sustainable development and the setting up of a working party (see annex) introduced by Göran Persson
- * An assessment of the new Italian government introduced by Giuliano Amato
- * Concluding remarks and PES Action plan 2001/2002
PES President

Request to nominate personal representatives for a PES Working Group on sustainable development

At the PES Summit in Stockholm the Leaders agreed to set up a working group on a strategy for sustainable development. A first discussion was held during the Berlin Congress during the roundtable on "Modern Social Economy – A Modern Social Democracy." The working group will be set up at the Gothenburg meeting and will continue its work during the Belgian and Spanish Presidencies, presenting its conclusions to the PES Summit in Barcelona next Spring. These will then be presented to the United Nations Rio Summit follow-up Conference in South Africa.

PES Leaders and Prime Ministers are kindly invited to nominate a personal representative for this group which will be led by Göran Persson by next week Thursday the latest

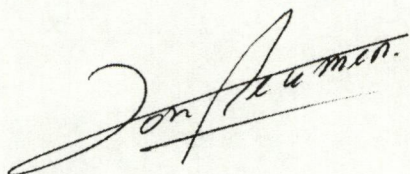
Participation

The Gothenburg PES Leaders and Prime Ministers meeting will be smaller than on previous occasions. The participation is restricted to the Leaders and Prime Ministers of the PES Member parties, the EU PES Foreign Ministers, the leader of the PES Parliamentary Group, two Members of the European Commission and the General Secretary of the Council of the European Union.

Informal dinner

The SAP is hosting an informal dinner for participants not taking part in the official summit activities that evening including accompanying staff. This dinner will start at 19.30hrs in the Folkets Hus.

With fraternal greetings,

A handwritten signature in black ink, appearing to read 'Antony Beumer', written in a cursive style with a long horizontal stroke extending to the left.

Antony Beumer
Secretary General

PES Initiative on sustainable development

Modern Welfare – the vision on sustainable development

European social democracy is the holder and provider of a modern vision of sustainable development in society. We want to see a change of society so that it is based on economic, social and ecological sustainability. This is one of the most fundamental goals we have set for ourselves. This is why we shall now make necessary political strategies concrete, develop and implement them.

European social democracy has a proud tradition. With our vision of the welfare society and clear objectives to aim at, we have pursued an active policy for improvement and change. No reality has made us content and no challenge has been seen as impossible to conquer. Our view on politics as a force for change is the basis for our ability to face long-term challenges.

The vision of sustainable development is a natural succession to the social democratic model based on aims of achieving full employment, public welfare, international solidarity and a healthy environment to live in. In the new vision for the future the perspective of environment, together with the economical and social perspectives are the grounds for a society of solidarity and justice – a society where the citizens are confident about the future and actively participate in a large-scale development.

The perspective of sustainability is essential to permit coming generations to bring alive the social democratic vision of justice and equality in solidarity. The future base of resources must be large enough to enable a society of equality and justice. Therefore the long-term perspective demands us to act now to break non-sustainable trends.

The challenge and fundamental change in the structure of society which is implied by sustainable development demands a broad public anchorage. The work has to take consideration of, and reflect the situation of the citizens. Political parties, the science society, active consumers, civil society as well as trade and industry must all co-operate.

Public investments, a dialogue with trade and industry and local involvement are the driving forces in this changeover of society. When investments in new infrastructure, technology and social welfare no longer mean increased environmental pressure, the quality of life for European citizens can increase in the long term. In all a development that strengthens the terms of competition for trade and industry, stimulates employment and brings economical and social stability.

European social democracy wants to conduct a policy of growth that combines economy and ecology. The role of environmental technologies for sustainable economical growth and increased employment is a possibility we have to consider and develop.

The conditions for small-scale enterprises are an important ground for the dynamic development we aim for. The smaller enterprises often are the creators of new technologies. The possibility of establishing and sustaining small enterprises and developing ideas into success is important for the promotion of an ecological sustainable growth. This is why an action plan focusing on smaller enterprises has to be developed.

Our overall goal is to attain a society based on economic, social and ecological sustainability within the space of one generation. Europe shall be the most competitive and dynamic knowledge-based economy in the world, with possibility for sustainable economic growth with more and better jobs and a higher level of social cohesion.

The European Union has to draw up a concrete and progressive strategy for sustainable development. A strategy with roots in the right to employment, good health, social safety and a good quality of life for all citizens. For us European social democrats a strategy like that is an important means for bringing our vision of society through.

The question of sustainable development is a question of solidarity. Fundamental civil rights shall be accountable worldwide, and the possibility of satisfying instant and future needs means solidarity across national borders and across time with coming generations.

A European strategy for sustainable development should be seen as a tool to spread the positive aspects of the on-going globalisation. Fundamental for the strategy is the fight for poverty reduction within Europe as well as globally. Poverty is in itself unsustainable, but also leads to an overuse of the scarce resources of the developing countries. The industrialised countries have a special responsibility in developing technologies and infrastructure to guarantee a possibility to support the world population without impoverishing the resources of the earth or increasing the green house effect. A European strategy for sustainable development must state a clear message to the follow-up meeting of the Rio conference 1992 in South Africa 2002.

European social democrats welcome the adoption of a strategy for sustainable development at the Göteborg summit in June 2001. This meeting must, according to our point of view, become the starting point for long-term economic, social and ecological sustainable development in Europe, with advantages to be gained by all European citizens.

The strategy of the European Union for sustainable development shall be based on overall goals that are defined within the economic, social and ecological dimension.

Solid economic development and growth, full employment, low inflation and strong public sector finances with decreasing burden of debt. The public sector finances shall prove balance or a surplus over medium term.

The rate of employment in the European Union shall increase to at least 70 %, for women 60 %, until year 2010.

High level of public health shall be secured through the creating and carrying out of all common political policies.

High level of ambition in preventing social exclusion and alienation.

The carrying out of the 6th environmental action plan makes a economic growth without negative environmental influence possible.

We, as European social democrats, believe that a strategy for sustainable development should :

- be based on a overall goal of achieving sustainable development in Europe within one generation (20-25 years)
- function as a framework that enables the politics in the three dimensions to be simultaneously supporting each other.
- initiate a work progress with coherent follow-up and evaluation.
- become the contribution from the European Union to the Rio 1992 follow-up meeting in 2002.

The fundamental change and challenge European social democracy faces is to develop a strategy that co-ordinates the three dimensions of sustainable development.

All political decisions have to be based on a whole-picture analysis where the effects of the three areas of policies are reflected. Only in that way the full potential can be reached and resources used effectively. An example of the connection is investments in environmental technologies where you at the same time increase the public health situation and thereby achieve decreasing costs of medical health treatment *and* create new job opportunities. From the perspective of health and the environment, offensive policies on chemicals are crucial.

Or more fundamentally, economic growth enables more opportunities to participate in the labour market and thereby decreases social exclusion. Less social exclusion, on the other hand, leads to an active involvement in society and caring about common values with a perspective on the future. Sustainable economic growth which is based on investments in technology thus leading to a decrease in use of natural resources, and at the same time establishes social and environmental acceptable protection makes the driving force in the positive spiral that this creates.

It is of greatest importance that the follow-up and evaluation co-ordinates the three dimensions. With this happening, we can consider suitable necessary measurements to be taken. We feel that:

- the follow-up of the implementation of the strategy shall be made by developing the Lisbon process to include all three dimensions of sustainable development.
- the synthesis report of the Commission should thereby develop in the same direction.
- indicators should be developed to enable a effective follow-up.
- a briefing should be stated at the spring summits to extend their role to monitor the integration on sustainable development in sector areas.

Through this process of continuing efforts with the implementation of the strategy a common platform for policy making and measurements in the community will be created. Through a common and coordinated process of carrying out the strategy the single member countries will be strengthened in their efforts. Not the least is this important in non-harmonised areas where the dependence of the outer world has been a major obstacle for national measures aiming at sustainable development.

To support the active participation of citizens in the changes of society, educational support is crucial. Changes have to be made to ensure sustainable development is reflected in ordinary education. A high level of education for all citizens is of major importance in the change to a more knowledge-based economy. This is necessary to enable handling a more flexible labour market and structural and regional changes.

Furthermore, extensive support for research technology development has to be taken. The research policy of the EU has to be aimed at developing new technology to support sustainable development, but also to produce proper basic data for decisions and methods for evaluation and follow-up.

The carrying out of a strategy for sustainable development demands efforts on the local, regional, national and global level. All measurements demand a public anchoring and active involvement.

Furthermore a systematic approach has to be established where public sector and private interests co-operate. Investments in new solutions and infrastructure demands overcoming of old areas of responsibility and the setting up of common action plans.

European social democrats want to work for development and carrying out of two action plans for sustainable development.

European social democrats want to adopt an action plan to build the new, modern welfare society with the citizens in focus. We will develop time-targeted goals for the especially important sectors in sustainable development as well as description of necessary measures and investments. Necessary policy changes when it comes to subsidies, investment support, economical steering mechanisms and price-fixing shall also be included in a social democratic programme for sustainable development.