

legge: Dada T = 5'10"

1175/A

ESAMI FINALI - LUGLIO 2000: CONSECUTIVA INGLESE-ITALIANO

TESTO 1

01-1175 A fin 4 con

SPEECH BY FCO MINISTER OF STATE, KEITH VAZ, TO THE ASSOCIATION FOR MONETARY UNION OF EUROPE (AMUE) ANNUAL CONFERENCE

LONDON, WEDNESDAY 15 JUNE 2000

Ladies and Gentlemen,

We are all listening to the debate in Britain about Economic and Monetary Union. The important thing to remember is that the Government's position on the euro is crystal clear (I shall re-state this below, and thereby disappoint those who seek to find a difference.)

There is only one Government position. There are no 'camps' in the Cabinet - there is just one policy. The Government's policy on membership of the single currency remains as set out by the Chancellor in October 1997, and re-stated by the Prime Minister in February 1999.

The determining factor underpinning any decision is whether the economic case for the UK joining is clear and unambiguous. The Government has set out five economic tests which will have to be met before any decision to join is taken. These economic tests are worth restating:

- whether the UK has achieved sustainable convergence with the Euro-zone economies;
- whether there is sufficient flexibility to cope with economic change;
- whether joining would create better conditions for business to make long term decisions to invest in the UK;
- the impact membership would have on our financial services industry; and
- ultimately whether joining would be good for employment.

When the Chancellor first set out the five economic tests in October 1997, he announced that, on the basis of the analysis of the five economic tests, it was not in Britain's interests to join the first wave that set off in 1999. To have joined then would have been to accept a monetary policy which suited other European economies but not Britain's.

This Government believes in offering the public the choice. Once the conditions have been met, the British people will decide in a referendum. The people - NOT the Government. (Certainly NOT the Shadow Cabinet.) It will be the British people that will decide. But the Chancellor has said that the Government will make another assessment of the five economic tests early in the next Parliament.

We are also listening to the public: I have been travelling the country hearing the views of the British public, and I look forward to hearing about today's debate later.

'Rating Economic and Monetary Union' - the title of this panel - is no easy task - if it were, there would be little need for such a distinguished conference.

Trying to rate EMU reminds me of the story of Mao Tse Tung when ^{dec}asked to judge whether the French revolution had been good or bad for western civilisation. (His answer was that it was still too soon to tell!) ^{and} (Osmi)

^{inf}I am by no means suggesting that we should take as long before forming our judgement – we don't have that luxury of waiting until all the historical consequences have made themselves evident. But some will argue that it is still too soon to try even to note EMU's progress. I believe they are wrong.

And despite all the problems of forming a conclusive view, now is not in fact a bad time to consider the issue ^{as a whole}. It is eighteen months since the EU saw eleven of its members link their currencies.

A couple of weeks ago at Feira ^{now} the European Council formally welcomed the first new member into the euro-zone. And there are another eighteen months until the members of the euro-zone (however many there may be) replace their national coins with European ones.

Our policy of 'prepare-and-decide' is that in principle the Government is in favour of joining a successful single currency if the economic case for the UK joining is clear and unambiguous.

Whenever the decision to enter is taken by the Government, it should - as I have said - be put to a referendum of the British people. In the House yesterday, the Prime Minister restated his position: 'In principle we are in favour of joining a successful single currency. In practice the economic conditions have to be met.'

I would now like to review the progress that has been made on economic reform. The process of 'economic reform' is important for all the EU's economies. But it was probably only with the March 2000 Lisbon European Council that 'economic reform' truly entered the EU's pantheon of reform projects. So what precisely happened at Lisbon, and what will economic reform mean?

In short, Lisbon agreed a strategic goal for the EU – that of making Europe the most dynamic knowledge-based economy in the world – by 2010!

For those of you who follow European affairs closely, you will realise that this was a ground-breaking commitment – comparable to that of the agreement to the 1992 deadline for the completion of the internal market, or the 1999 target date for the launch of the Single Currency.

Building on these two, the greater challenge now is to make Europe – benchmarked against the rest of the globe, but especially the US - the most dynamic knowledge-based economy in the world. By 2010 – the end of this decade: no small feat.