



LEADING PRO-EUROPEANS CALL ON CABINET TO PUSH FOR EURO ROADMAP

Leading Pro-Europeans from across the political spectrum, business and the trade unions have endorsed the **Foreign Policy Centre's** roadmap for joining the Euro and called on the Government to adopt it in Monday's commons statement. On the eve of the final Cabinet meeting before the announcement, **Geoffrey Howe, Giles Radice, John Edmonds** and **Chris Haskins** endorsed the ten point plan which argues that, without clear commitment, Britain risks haemorrhaging political capital still further amongst European allies whose support it needs to win debates about the Constitution on the Future of Europe and European economic reform.

10 Point Road Map:

1. If any deferral of the referendum is to be credible, every obstacle to entry outlined by the Chancellor must be accompanied by a plan for overcoming it as well as a full Treasury assessment published of the costs of staying out.
2. The Government should establish a Euro strategy group chaired by the Prime Minister and including the Deputy Prime Minister, the Chancellor, the Foreign Secretary, the Secretary of State for Trade and Industry, the Secretary of State for Work and Pensions, the Leader of the House and the Lord Chancellor – to consider the myriad of practical issues that need to be taken into account.
3. The Prime Minister must instruct Cabinet Ministers to make the case for the Euro and outline the political as well as the economic costs of exclusion. The decline in Britain's percentage of EU inward investment - from 28.3% in 1998 to 5.1% in 2002 - must become a Government mantra.
4. The Government should bring forward legislation paving the way for a referendum on the euro, including details of timing, the wording of the question, and the polling arrangements.
5. The Government should introduce tax-breaks for small and medium size businesses to help alleviate the costs (such as IT upgrading) of changing currencies.
6. The Government should publicly announce that it supports the European Council's new proposals to introduce flexibility into the Stability and Growth pact so it can accommodate cyclical downturns in the business cycle. Reforms are in the offing that require the budget to be 'close to balance or in surplus' over the whole economic cycle. Countries with low debt ratios and sustainable public finances should be allowed to run modest deficits to finance investment in public services
7. The Government should announce that it supports the European Central Bank's proposals to abandon the special status for money supply growth and adopt a specific inflation target similar to that of the Bank of England's.

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8. The Government should introduce measures that encourage a wider spread of fixed rate borrowing – and reduce the British economy's sensitivity to free-floating interest rates.
9. The Government should welcome the benefits to British industry brought about by the recent strengthening of the Euro against Sterling. It should commit itself to negotiating a sustainable rate at the time of joining.
10. The Government should publish a consumer code of practice and set up price monitoring mechanisms. This will help to prevent consumers being exploited during the changeover to the new currency.

Geoffrey Howe, Former Chancellor and Foreign Secretary, said:

"We've spent enough time trying to read the crystal ball. The most important thing is a clear affirmation from the government that it is unambiguously in Britain's interest to join the Single Currency. The Prime Minister and his Cabinet must now set about making the positive case. It's high time for the Government to set out a road map as clear as this"

Giles Radice, Chairman of the Lords European Sub-Committee on Economic and Monetary Affairs, said:

"Only a credible route-map for joining will convince me that the Government are at all serious about joining. We need a comprehensive examination of the costs of staying out"

Chris Haskins, Former Chairman of Northern Foods, said:

"There is a strong feeling amongst Business that they have been strung along over the last six years. My conversations with Business tell me that you can't put the issue on the shelf for another three years without there being damaging consequences. Inward investment has already shrunk to almost nothing"

John Edmonds, General Secretary of the GMB, said:

"Next Monday looks like being a very depressing day for the Trade Union movement. You can't be in Europe and not in the Euro. If the decision is "yes in principle but not yet" we need to know the when and the how. I do not believe the Government understand the reaction from its own supporters of another delay"

Sir Michael Butler, Former UK Permanent Representative to the EU, said:

"The Government has to convince other European Governments as well as the British public that it is serious about preparing to join the Euro soon. Otherwise it will cease to get its way in the European Council and public opinion will not permit a positive referendum result"

NOTES TO EDITORS:

1. The Foreign Policy Centre is an independent thinktank established in 1998.
2. The idea of a Euro road map was first floated in a pamphlet by Lord Radice, *How to Join the Euro*, published earlier this year. It follows *Winning the Euro Referendum*, edited by Mark Leonard and Tom Arbuthnot and *How to Win the Euro Referendum* by Professor Robert M Worcester, Chairman of MORI.
3. The views are expressed in a personal capacity. They do not represent the views of the Foreign Policy Centre, which has no collective view. This document is

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The Foreign Policy Centre



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