

# WebMemo



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## Ten Recommendations for David Cameron's Administration on NATO and the EU

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After 13 years of Labour government, Britain's relationship with the European Union (EU) needs to be recalibrated. Prime Ministers Tony Blair and Gordon Brown presided over massive transfers of Britain's sovereignty to the EU while denying the British people a referendum on important constitutional changes such as the Lisbon Treaty. The new British foreign secretary, William Hague, has stated that he will implement a "distinctively British foreign policy."<sup>1</sup> The following 10 recommendations will allow Hague to fashion a more transatlantic-orientated approach to his government's European policies:

**1. Do Not Join the Euro.** For EU elites determined to create a European superstate, a single European currency is the ultimate prize. However, the current economic crisis in Greece demonstrates the shortcomings of creating a political union without a sound economic foundation. Britain should not underwrite failing European economies, let alone provide the European Central Bank and the European Commission the power to set Britain's interest rates and other economic policies by embracing the Euro.

**2. Introduce a U.K. Sovereignty Bill and a Referendum Lock.** At the last general election, all three major political parties promised the British people a referendum on the EU's proposed constitution. In addition to providing such a "referendum lock," a U.K. sovereignty bill would further affirm the authority of Parliament over the EU. In order to restore public trust in manifesto commitments, the sovereignty bill and referendum lock should be introduced in the first year of the new government.

**3. Bring Back Britain's Rebate.** In 2005, Blair agreed to give up a portion of Britain's rebate from the EU's budget in exchange for reform of the Common Agricultural Policy (CAP). Through November 2009, this decision cost Britain €10.5 billion (\$13.3 billion), and there has been no meaningful reform of the CAP.<sup>2</sup> French President Nicolas Sarkozy—whose country receives the largest portion of CAP payments—even shut Britain out of talks on the future of EU agricultural subsidies.<sup>3</sup> Prime Minister Cameron and Foreign Secretary Hague should follow in the footsteps of then-Prime Minister Margaret Thatcher, who first secured the British rebate in 1984, and restore Britain's rebate.

**4. Repatriate Policy Competences from the EU.** It is estimated that EU social laws will cost Britain £71 billion (\$105 billion) over the next 10 years.<sup>4</sup> Legislation such as the Working Time Directive has been damaging to Britain's economy and will prove especially harmful as the government seeks to regain economic competitiveness in the years ahead. The British government should therefore advance proposals to repatriate key policy areas from the EU's regulatory juggernaut and subject any further provisions to their "referendum lock."

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**5. Oppose a Unilateral Move to Raise EU Emissions Reduction Targets to 30 Percent.** The EU pledged to increase its emissions reduction targets to 30 percent if an international agreement could be reached at Copenhagen in December 2009. Although the international climate change negotiations collapsed, the EU is now proposing to unilaterally pursue the 30 percent target at a cost of €81 billion (\$103 billion).<sup>5</sup>

**6. Abolish the EU's Parliamentary Sessions in Strasbourg.** For one week per month, the European Parliament transfers its entire staff from Brussels to Strasbourg, where it holds monthly voting sessions. This travelling circus costs the European taxpayers around €200 million per year (\$300 million) and wastes valuable time that could be better spent critically scrutinising EU legislation.

**7. Maintain the Primacy of NATO in Europe's Defense Architecture.** NATO guarantees Britain's security as well as that of its European and North American allies. Importantly, it ensures that Europe and America are able to collectively defend themselves in the event of an attack. It is critical, therefore, that NATO is not undermined by duplicate defense arrangements such as the European Security and Defense Policy, which will draw away critical resources and undercut NATO's political solidarity.

**8. Press Britain's NATO Allies to More Fairly Share the Burden in Afghanistan.** Britain and America are among a handful of nations disproportionately shouldering the burden of NATO's mission in Afghanistan. It is vital that Britain's NATO partners step up to the plate by providing additional combat troops, equipment, and political support for

the new counterinsurgency strategy to which it agreed last year. Britain should also press its European allies to spend NATO's benchmark of 2 percent of their GDP on their national defense.

**9. Put Defense at the Heart of National Security.** The Liberal Democrats support the prioritization of climate change in Britain's national security strategy. The next government should not redirect already scarce funds from security and defense priorities toward costly and unnecessary climate change measures. Britain's national security strategy should focus on the clear and present dangers to the security of the U.K. and its allies including terrorism, proliferation of weapons of mass destruction, and the threat of a nuclear-armed Iran.

**10. Press the EU to Implement Targeted, Crippling Sanctions Against Iran.** The United Nations has imposed three rounds of sanctions against Iran in an effort to convince Tehran to give up its illicit nuclear weapons program; it is highly unlikely that a fourth round of sanctions will change Tehran's mind. The EU should therefore impose targeted and crippling sanctions on Iran—on top of the U.N. sanctions. Britain should lead Europe in imposing sanctions on energy imports, domestic oil refinery capacity, and international banking. Sanctions should also be brought against the Islamic Revolutionary Guards Corps and companies affiliated with it.

**Rediscovering Thatcher.** In 1988, Margaret Thatcher laid out an Atlanticist vision for the future of Europe as an alternative to the relentless integration and centralization pursued by EU elites. The British government should revive this model and

1. Paul Reynolds, "Liberals Will Constrain Tories in British Coalition," BBC News, May 12, 2010, at [http://news.bbc.co.uk/2/hi/uk\\_news/politics/election\\_2010/8678135.stm](http://news.bbc.co.uk/2/hi/uk_news/politics/election_2010/8678135.stm) (May 12, 2010).
2. Christopher Hope, "Tony Blair's Decision to Cut the EU Rebate Cost £9.3 Billion, Report Shows," *The Daily Telegraph*, November 9, 2009, at <http://www.telegraph.co.uk/news/newstoppers/politics/6516753/Tony-Blairs-decision-to-cut-the-EU-rebate-cost-9.3billion-report-shows.html> (May 12, 2010).
3. Kim Willsher and Patrick Hennessy, "Stitch-Up? Now France Excludes Britain from Special Talks on EU Farm Spending," *The Daily Telegraph*, December 6, 2009, at <http://www.telegraph.co.uk/news/worldnews/europe/eu/6737797/Stitch-up-Now-France-excludes-Britain-from-special-talks-on-EU-farm-spending.html> (May 12, 2010).
4. Press release, "Open Europe Urges Conservatives to Tackle EU Social Policy and Announce a Referendum," Open Europe, November 4, 2009, at <http://www.openeurope.org.uk/media-centre/pressrelease.aspx?pressreleaseid=125> (May 12, 2010).
5. David Adam, "Connie Hedegaard Seeks 30% Carbon Cuts Target for Europe," *The Guardian*, May 11, 2010, at <http://www.guardian.co.uk/environment/2010/may/11/connie-hedegaard-carbon-cuts-europe> (May 12, 2010).

advance a strong transatlantic alliance, with the Anglo–American Special Relationship at its center.

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