David Cameron: We need to be clear about the best way of getting what is best for Britain

David Cameron says he will consider a referendum on Britain's future relationship with Europe, but only when the time is right.

It is vital for our country — for the strength of our economy, for the health of our democracy and for the influence of our nation — that we get our relationship with Europe right.

We need to be absolutely clear about what we really want, what we now have and the best way of getting what is best for Britain. We need to answer those questions before jumping to questions about referendums.

I am not against referendums in our parliamentary democracy. Parliament is elected to make decisions and be accountable, but when powers are transferred it is right to ask the people. That is why we will ensure the Scottish people can hold a referendum having elected a government on a mandate to do just that.

I am also not against referendums on Europe. The last government should have held a referendum on the Lisbon Treaty. They didn't, so this Government put in place a referendum lock so that no government can ever again pass powers from Britain to Brussels without first asking the British people.

But back to the prior questions: what we want and how we get it.

EU: New Tory battle lines drawn

Cameron's backbenchers demand EU referendum

Liam Fox: No more waiting – we must renegotiate our position

Voters want a say on EU power grab

As a trading nation Britain needs un fettered access to European markets and a say in how the rules of that market are written.
The single market is at the heart of the case for staying in the EU. But it also makes sense to co-operate with our neighbours to maximise our influence in the world and project our values of freedom and democracy.

Here Britain makes the running in the EU, so I don’t agree with those who say we should leave and therefore want the earliest possible in/out referendum. Leaving would not be in our country’s best interests.

An “in” vote too would have profound disadvantages. All further attempts at changing Britain’s relationship with Europe would be met with cries that the British people had already spoken.

Yet the fact is the British people are not happy with what they have, and neither am I. That’s why I said on Friday that the problem with an in/out referendum is that it offers a single choice, whereas what I want — and what I believe the vast majority of the British people want — is to make changes to our relationship.

So what is wrong with what we’ve got? Put simply, for those of us outside the eurozone, far from there being too little Europe, there is too much of it. Too much cost; too much bureaucracy; too much meddling in issues that belong to nation states or civic society or individuals. Whole swathes of legislation covering social issues, working time and home affairs should, in my view, be scrapped.

The Coalition parties will have different views on this, so we will be reviewing the balance of the EU’s competences, to provide a national audit of what the EU currently does and its implications for our country.

Finally, and vitally, how do we maximise the chances of actually getting what we want?

First, we need to recognise that Europe is changing — and fast. The single currency is driving a process that will see its members take more and more steps towards fuller integration. They are necessary if the euro is to survive, but mean that the EU and relationships within it will change. We have shown not only that we can stay out of that integration, but that we can also get out of things — such as bail-out funds — that we don’t like.

At Friday’s summit we ensured that the key parts of banking union would be done by the European Central Bank for eurozone members and not for us. We won’t stand behind Greek or Portuguese banks, and our banks will be regulated by the Bank of England, not the ECB.

There is more to come where we can take forward our interests, safeguard the single market and stay out of a federal Europe. Those who say we would never say “no” were proved wrong by my veto last December. And those who instead say we risk giving up all influence are also wrong.

Two of the last big decisions about European institutions have gone our way; we have a British head of the European Bank for Reconstruction and Development and a home in London for important parts of the new EU patent court.

Second, let us start to spell out in more detail the parts of our European engagement we want and those that we want to end. While we need to define with more clarity where we would like to get to, we need to show tactical and strategic patience. The eurozone is in crisis which needs to be resolved, and we are in a Coalition government during this parliament.

Nevertheless I will continue to work for a different, more flexible and less onerous position for Britain within the EU.

How do we take the British people with us on this difficult and complicated journey? How do we avoid the wrong paths of either accepting the status quo meekly or giving up altogether and preparing to leave? It will undoubtedly be hard, but taking the right path in politics often is.

As we get closer to the end point, we will need to consider how best to get the full-hearted support of the British people whether it is in a general election or in a referendum.

As I have said, for me the two words “Europe” and “referendum” can go together, particularly if we really are proposing a change in how our country is governed, but let us get the people a real choice first.