ANDREW MARR:
And so to Britain and Europe. The issue which obsesses Westminster more than any other - the Referendum, free movement of people, the Scots, you know name it. Well the President of the EU Commission, Jose Manuel Barroso, is the man David Cameron and Alex Salmond must do business with. Good morning to you.

JOSE MANUEL BARROSO:
Good morning.

ANDREW MARR:
Can I ask how the negotiations are going with David Cameron about a renegotiated British relationship with the EU?

JOSE MANUEL BARROSO:
So far, the British Government has not put any proposal for a new treaty or for some changes. We have taken note of course of the statements made by Prime Minister Cameron as Conservative Leader because in fact the Government of Britain as such has not put forward any proposal so far.

ANDREW MARR:
So no negotiations of any kind yet really?

JOSE MANUEL BARROSO:
No negotiations so far.

ANDREW MARR:
In terms of the things that a lot of people in Britain would like to see renegotiated, I suppose top of the list is the free movement of peoples and, above all, control over welfare spending for people coming into Britain. Is that something in your judgment it’s possible to renegotiate in Europe? Is that up for grabs?

JOSE MANUEL BARROSO:
We have to make a clear distinction. One thing is freedom of movement, I don’t think it is possible to renegotiate. It’s a fundamental principle of the internal market. We have an internal market based on the freedom of movement - of goods, of services, of capital and of people - so the British people, British companies have unrestricted access to the internal market. So I don’t …

ANDREW MARR:
So that’s not up for grabs, okay.

JOSE MANUEL BARROSO:
I don’t think it’s possible. But to fight against abuse of the freedom of movement, this is certainly possible. In fact we have already now reinforced the rules, so we are tough against abuse so-called social tourism. That is a legitimate concern that we can address, but without putting in question - and there we have to be very firm - the extremely important principle of freedom of movement that by the way is so important for Britain as the internal market is.

ANDREW MARR:
And you’ve been speaking about the Euro crisis and repair of the Euro crisis and the changes that have to be made to the Euro block.

JOSE MANUEL BARROSO:
Yeah.
ANDREW MARR:
Am I right in saying that those must involve, as the Governor of the Bank of England was saying, deeper fiscal union as well - harmonized tax rates, a single system?

JOSE MANUEL BARROSO:
Deeper fiscal union certainly, and I think sooner or later it will be unavoidable to have reforms for deeper integration for the Euro area. And by the way it’s not only the pro-Europeans. The markets are demanding that, and in fact we have been moving in that direction in respect of the current treaty. So this is possible and I say this is desirable.

ANDREW MARR:
So this is in effect a single European government for the Euro countries, I should emphasise?

JOSE MANUEL BARROSO:
I cannot say a single European government …

ANDREW MARR:
(over) It sounds quite close to it.

JOSE MANUEL BARROSO:
(over) … but increased governance. Yes certainly because at the end - and we have learned this through the financial crisis - at the end the solidity, the credibility of a currency depends on the solidity of the institutional or political construction behind it. And I can tell you the most acute moments of the crisis when I was speaking with President Obama or President of China or Prime Minister of Japan, the question they were putting was not so much what is going to be the level of deficit of Greece, but do you believe that this economic and monetary union is going really to develop? Do you think that Germany will be behind it? That was the question.

ANDREW MARR:
Are you speaking for Europe or not in effect. But that kind of change would require
presumably a new treaty?

JOSE MANUEL BARROSO:
Yes.

ANDREW MARR:
Absolutely. And that would be David Cameron’s moment for a referendum with us because again it would be inevitable, therefore … If there was a deeper European core, then our relationship with that European core would be different as well.

JOSE MANUEL BARROSO:
That’s what I think David Cameron is expecting. Now I have to be very honest. The reforms of the treaties are extremely difficult in the European Union because they require unanimity. So any point that Britain wants to make for a reform of the treaty requires the other twenty-seven countries …

ANDREW MARR:
(over) All to agree.

JOSE MANUEL BARROSO:
(over) … they are sovereign countries as well, to accept. By the same way, any reforms the other want to make require also Britain to accept. So I think if there is goodwill, if there is intelligence on all the sides, it is possible provided, provided there is not let’s say attempt to put in question the basic principles of our union and the integrity of our union because the challenge is precisely that one. We need to have a deepening of the internal market. And from that point of view, I have to say that the British Government and Prime Minister Cameron himself, they have been very supportive because they understand perfectly well that is also in the interests of Britain and indeed in the interests of the world - the financial stability. But at the same time we have to deepen the Euro area, we should keep the integrity of the single market …

ANDREW MARR:
(over) That’s quite difficult.
JOSE MANUEL BARROSO:
(over) … so that, for instance, British citizens that can or British companies that have now access to the internal market, it represents - according to the estimates of the British Government - £90 billion per year. I repeat 90 … 90 …

ANDREW MARR:
Nine zero.

JOSE MANUEL BARROSO:
Nine zero billion pounds per year for the British economy. So it’s extremely important not to put that at risk.

ANDREW MARR:
It just seems to me that what David Cameron is saying he wants, which is a much looser European Union, is not what’s going to happen, and he’s going to be confronted with this deeper Europe. Will this happen by 2017?

JOSE MANUEL BARROSO:
I cannot commit to any dates. By the way, this is the position of the Conservative Party. We have to know if the British Government will keep that position. We have to know also if the other governments - it’s the decision of the governments of the European Commission - accept treaty change. What I think it’s important to have in mind is the following. I don’t see a fundamental contradiction between deepening the Euro area - that is certainly desirable - and having some flexibility for the European Union provided the general framework is kept as it is. For instance, we have already now countries that are the Euro, countries who are not in Euro. We have the Schengen where Britain is not a member and we have, for instance, some opt-outs for justice and home affairs. So it is possible, if there is wisdom on all sides and if it’s a constructive discussion, to come to some arrangement. But I repeat it’s not our competence. It’s for the member states now to decide.

ANDREW MARR:
But something like putting an absolute cap on the number of EU citizens who can come into Britain, is that going beyond what’s acceptable in your view?
JOSE MANUEL BARROSO:
I think it’s completely in contradiction with the principle of freedom of movement because it will mean that also the British, that I think there are two hundred … I think there are two million, two hundred thousand British in European Union, they will not have the same access. So it means that the British companies will not be free to make their businesses in France or Germany - including, by the way, the financial service - so I really believe that is not appropriate. By the way, if not there will be a problem of reciprocity if European Union …

ANDREW MARR:
(over) So it’s not going to happen basically?

JOSE MANUEL BARROSO:
… if the European Union gives access, free access to the British citizens and the British companies to the rest of Europe, I think it’s of course important also to have the same access of the European companies and citizens to Britain.

ANDREW MARR:
I was talking about the 2017 Referendum. Of course we’re going to have an earlier referendum this year about Scottish independence from the rest of the UK.

JOSE MANUEL BARROSO:
Yes.

ANDREW MARR:
Now, as I understand the situation, an independent Scotland would have to reapply for membership of the EU. The second question is would it be welcome?

JOSE MANUEL BARROSO:
The referendum or the independence?

ANDREW MARR:
An independent Scotland applying for membership of the EU, how would that be
regarded? Would that be a welcome thing for the EU? Would you say yes, of course, come in?

JOSE MANUEL BARROSO:
First of all, I don’t want now to go in hypothetical questions. What I can say is the following. We respect the democratic process going on. It’s for the Scottish people and for the British citizens to decide about that - the future of Scotland. What you said is perfectly right. In case there is a new country, a new state coming out of our current member states, it will have to apply. And - this is very important - the application and the accession to the European Union will have to be approved by all the other member states of the European Union.

ANDREW MARR:
So countries like Spain, who’ve got their own secessionist issues as well?

JOSE MANUEL BARROSO:
I think it will be … I don’t want to interfere, I repeat …

ANDREW MARR:
No.

JOSE MANUEL BARROSO:
… on your referendum here and your discussion, democratic discussion here, but of course it will be extremely difficult to get the approval of all the other member states to have a member, a new member coming from one member state. We have seen, for instance, that Spain has been opposing even the recognition of Kosovo, for instance, so it’s to some extent a similar case because it’s a new country. And so I believe it’s going to be extremely difficult, if not impossible, a new member state coming out of one of our countries, getting the agreement of the others.

ANDREW MARR: 
*(over)* And then re-applying and then re-applying?

JOSE MANUEL BARROSO:
But having said that, it’s now for the British people …

ANDREW MARR:
Of course.

JOSE MANUEL BARROSO:
…and the Scottish people of course in their referendum to decide about their future.

ANDREW MARR:
And would it affect how Scotland was regarded if Scotland said it would want to be a member of say the Schengen group and even the Euro?

JOSE MANUEL BARROSO:
Look, that I cannot go now in detail, you understand, because this is an hypothetical question. I don’t think I should now interfere.

ANDREW MARR:
Sure.

JOSE MANUEL BARROSO:
It’s up for the Scottish to decide and the British people also in the British system. But certainly I think it will raise a lot of difficulties and it will be never easy that process.

ANDREW MARR:
And if I can ask you very briefly, there’s been some suggestion here that Britain will apply to the EU for special flood money. Is there money available to deal with this particularly extraordinary situation?

JOSE MANUEL BARROSO:
I have already stated that in case the British Government applies and if the conditions are met (because there are some criteria), we will look at that request very constructively. In fact Britain already received in 2007 money from the Solidarity Fund. Last year Germany, Austria and I think Czech Republic …

ANDREW MARR:
Okay.

JOSE MANUEL BARROSO:
… also received money because of the floods.

ANDREW MARR:
Mr Barroso, thank you very much indeed for joining us this morning.

JOSE MANUEL BARROSO:
It is my pleasure.

INTERVIEW ENDS