

WEDNESDAY 6 MAY 2009

Present

Crickhowell, L.
Hamilton of Epsom, L.
Jay of Ewelme, L.
Teverson, L. (Chairman)

Witness: **Mr Matthew Baldwin**, Barroso Cabinet, European Commission, examined.

Q313 Chairman: Good morning.

Mr Baldwin: I am entirely at your disposal. I am sorry we could not get the Director General from the ECFIN side. I am afraid I cannot pretend to even slightly replicate what he could have offered you, but I am entirely at your disposal.

Q314 Chairman: We very much appreciate you giving us your time. You are the only person we are looking at from a broad Commission point of view as part of Mr Barroso's Cabinet. We are treating it as a formal session, which we are recording, and, unlike if you were over in the House of Lords, we are not televising you or videoing you. We will take a transcript which we will give you a copy of in case you think there is anything that has been wrongly recorded. Indeed, if you want to go off the record at any point let us know and when we are going back again that would work well. Often for these sessions we prepare questions in advance but we have not done that on this occasion, so I think it will be a fairly free format in terms of the topic generally. As you know, this is an inquiry that we are doing into EU-China which will take up quite a bit of our work. Our other main area recently has been Somali piracy but I do not think we will be asking you on that one, although you never know, because that is certainly one we have found some interest in.

Mr Baldwin: It is one I have been following a bit.

Q315 Chairman: I do not know if there is anything you want to say as an introduction at all, Mr Baldwin, or whether you would like us to go straight into questions?

Mr Baldwin: Maybe given how much time we have, which is not so long, we should just jump into questions. I would just say I am very happy to try to address questions both about President Barroso's agenda and looking forward to a possible second term. I am very happy to answer any questions about China. I am not a great specialist in China but I have been following it mainly from a trade policy perspective and then more recently in climate change and energy.

Q316 Chairman: Certainly the climate change side is an area which we are taking a particular interest in in this inquiry, so I am sure that is something members of the Committee would like to come in on. Perhaps I could start off and ask on a very general basis. We have the document *EU-China: Closer Partners, Growing Responsibilities*, which I think is now three or four years old. I would be interested to know how you feel that agenda is being followed, whether that is now obsolete, and how you see EU-China relations at the moment.

Mr Baldwin: Thank you. I should have reviewed that document before coming to this meeting, but I know you are seeing Jim Moran and others and he will be best-placed to give you a very precise rendition of how we feel we have achieved on that or not. If I may answer your question in a more general way on three possible areas. Firstly to say that China's extraordinary development and entry into the world economy and world political stage has been overwhelmingly in the UK's interests, in Europe's interests and in global interests from almost all angles. You will be aware of many of the arguments and I will not develop them: the hundreds of millions lifted out of poverty; the extraordinary boosts to the world economy. And, I would also argue, the growing sense that China shows that it has a stake in geopolitical stability and a stake in the future. I would evidence the strong role they played in the recent G20 meeting in that respect. Of course, there are the downsides, and you particularly will be very well aware of those, that fear of globalisation has become a proxy for fear of China and vice versa. I think that was particularly true in the US. Unfortunately, Europe has not shown

itself to be completely immune from it either. Second, the sense, and this is more a particular US concern, of strategic rivalry between China and the US. I think that is a bad thing for all of us but it has a second knock-on effect that people talk too loosely in my view about a G2, a sort of US-China duopoly, as a solution to this problem. The third element, and, I am sorry, this is not an exhaustive list, China experts would give you much longer ones, the sense of the pressure that extraordinary Chinese growth has placed on raw materials, carbon emissions and so on. I should add, of course, we are not saying that China is in any way responsible for the climate change problem. They are the new arrivals on the emissions stage but they are part of the problem which we are trying to solve. Europe's reaction to this extraordinary development, of China's entry onto the world stage, has been a very positive and supportive one. I was very heavily involved in a previous life in the WTO accession of China and witnessed the extraordinary use by Prime Minister Zhu Rongji of the accession process to drive internal reform in China. This was momentous in the true sense of the word. I think he single-mindedly set out to bring China into the 21st century using the WTO accession process. That is one example.

The second example is the myriad soft power co-operation which is set out, I am sure, at great length in the documents you referred to, my Lord Chairman: scientific research, education, energy and environment, particularly the last two growing steadily in importance.

I would also add in relation to that that China "gets" the big challenges of globalisation. I will take two examples. You mentioned climate change. I saw and read, because it was so interesting, John Ashton's testimony to your Committee, which I thought was a very rich and full exposition of the problems. I think Chinese leaders understand more than many others the stakes. They only have to take a flight from Beijing to anywhere in the country to see the problems they have with pollution. They can see the figures with their own eyes for

emissions and they have a tremendous problem with coal. I will not dwell on that because John has talked about it with far greater expertise than I can. I do see them playing a constructive role in the run-up to Copenhagen. We had the first meeting of the Major Economies Forum in Washington last week and China, along with other emerging developing countries, is playing a very constructive role and that is important.

I would say that the EU can also claim to have played a significant role in working with them on this. Mark Leonard's recent piece does good justice to that. We have had some very constructive exchanges with the Chinese leadership. We had a meeting in the spring of last year, and I cannot give you the precise dates, when we went with nine or ten Commissioners to Beijing and had a well-structured series of meetings, preparation at each level and then a round-up plenary meetings with Prime Minister Wen Jiabao which were very, very productive. Of course, we have the EU-China summit process and we shall probably have two summits this year.

In those meetings, which were quite tough meetings, the Chinese arrived at the position of agreeing to bind their national action plan in the international negotiations. I need to check that word "bind", but certainly put on the table, commit, what they were doing nationally in exchange for two things: one being major efforts from the developed countries, the so-called Annex 1 countries, to commit to real and binding reductions; second, some help on technology transfer. This may not seem a tremendous offer but in the context of the negotiations it is very significant, it is the act of coming out of their corner and saying, "This is what we want". For many developing countries, India as well, putting on the table what you are doing nationally in the context of international negotiations is a big step. The Indian argument has been that what they are doing in relation to migration flows from what they are doing on sustainable development, rather than the other way round, and they do not wish to be

put into the position of making targeted commitments. They say that is for us, the historic major emitters, and they have a different path from China in this respect. The Chinese move was a significant development and personally I regard it as significant that they did that in the EU-China context, they were comfortable making that kind of offer. I think they were particularly comfortable because of the major action that the EU proposed in its 20 2020 targets of last year, and I know you know about those.

The second area I would touch on is trade where I think I am right in saying that the Chinese recognise that in order for us to keep our markets open to Chinese goods, as we have done historically and I hope we will continue to do, they need to show real action on their side to address the structural difficulties we have in entering their market. We have a revised market access strategy in the European Union. These various actions have spawned a real dialogue. We overuse the word dialogue in the European Union particularly with the Chinese, but it is a real discussion which Baroness Ashton, who will be very familiar to you, is leading. Indeed, we have the next meeting of the High-Level Economic Dialogue, this week, and Vice Premier Wang is coming over with a large group, I think up to ten ministers, and they will look at all the different problems we have in entering the Chinese markets from standards to procurement and so on. I think President Barroso himself said in a speech in China that we do have an underlying question mark over the whole Chinese growth model, and maybe they do too after this monstrous recession: the pure export driven model, the arguably excessive liquidity, the arguably unsustainable trade surpluses which they have maintained. I think there has been a real sense on the Chinese side that they need to address these two problems - climate change and trade imbalances - to keep their relationship with “the West” on an even keel.

The last point is to address this issue about the G2. Commentators have said – and I don't agree - that we are now in a situation where the classical G7/G8 no longer acts as the informal

clearing house or governing board of world government, if it ever did. President Sarkozy has openly called for a G13. Commentators have also said that the G20 now acts as that unofficial board of world government and others have said we are moving towards a G2. The G20 may or may not be that long-term governing structure. Speaking parochially, it -is not yet clear that it satisfactorily provides a role for the European Union which is playing a constructive role on the world stage in all of these areas.

But it is true also that the world has changed. Brazil, India and China have a right to their place at the top table. On the G2 the jury is out, but in terms of the actual proportion of the world economy that the US and China represent, I think most people predict it to be declining as a percentage of the whole over the next 20-30 years, not increasing. Indeed, the Chinese themselves say that a G2 is their goal and I am not sure it is the Americans' either. I think the concept may be more a part of journalistic hubris than the reality to which we are moving. Conclusion: state of flux; EU-China relations strong; potential to get stronger; and I think the Barroso Commission has made some big steps forward on EU-China relationships.

Q317 Lord Hamilton of Epsom: I can understand why you are getting a bit paranoid about G2, but I do think it is paranoia. There are inevitably going to be bilaterals between the Americans and the Chinese, but I would have thought you would have had to have more countries involved if you were going to get agreement on a broad range of areas. That is just a comment.

Mr Baldwin: I agree.

Q318 Lord Hamilton of Epsom: What is your view on who is going to pull us out of all this? You must be considering the global economy generally and the role that Europe plays in that. Do you think China is the country we have got to look at now to start the engine of

pulling us out of all this, they are certainly growing now when nobody else is, or are we back with the US and the fact that they are the biggest economy? Also, can I ask what are your feelings about threats to free trade as unemployment rises and protectionism becomes an issue? Do you see that being a problem within Europe as well as with our trading partners outside it?

Mr Baldwin: To briefly answer both those very fair questions, I think I said at the start I should not pretend even slightly to be an expert on the international economy in the sense of the international recession. Our view generally on this is that we all have a responsibility to pull ourselves out of this and I think that is one of the reasons why the G20 has been valuable is it has given the chance to look at all areas, including where we can work together in terms of fiscal stimulus. China and the US obviously have a large part of the responsibility, but so does Europe and others and we would say we have acquitted our responsibilities on this, as have others, and we all share this responsibility. If you look at previous recessions there was not in the past the same kind of collective discussion about what needs to be done and I think that is quite significant. On threats to free trade, do I worry about a problem in Europe? Well, I think you should worry about a problem everywhere. Trade as a leading indicator grows more quickly than economic growth in an upturn and it tends to decline more quickly than output in a downturn. Trade is always very vulnerable. Again, I think the G20 can and must play a very significant role in this in terms of trying to get people to commit not to take actions which will restrict trade. We are all vulnerable, we all have to look at it all the time. But I hope that people do not put all trade actions into a basket marked “evil protectionism”. All developed countries have a system of trade defence, of anti-dumping rules, anti-subsidy rules, and it would be a mistake to say any action against anybody on anything is unfair protectionism. The anti-dumping systems have their critics but they are an important part of managing the openness of major economies and it would be a mistake to tar everything with that brush. We must be vigilant in all cases that we respect the letter and spirit of WTO rules.

Q319 Lord Jay of Ewelme: I just want to come back for a moment to the G issues. I think the G8 probably will continue and should continue, but more as a grouping of people who share certain values of liberal market systems and democracy than a group which can pretend to resolve global issues because it is quite difficult to think of a global issue which can be resolved unless you have got China, India, probably Brazil there as well.

Mr Baldwin: I fully agree with that.

Q320 Lord Jay of Ewelme: The G13 would have been a good idea but I think it has been discredited now because of the last few years of people trying to keep India, China and others in the waiting room, just coming in for breakfast at the end of a G8 meeting. It does push towards the G20 probably solidifying for the next few years at least. I do not think there is going to be a G2, open meetings of the US and China trying to drive things forward, but I do think, and I would be interested in your thoughts on this, that we are going to see the US and China getting together, particularly under Obama, talking more frankly than they have in the past, beginning to become something of a rather private steering group but which will nonetheless have quite an impact on the rest of us because if they were to agree on something, say climate change, it would be quite difficult for the rest of us not to fold around the position that they were going to adopt. It brings me back to the question as to whether you do think there is an issue here for the EU as to how it makes certain that it plays a sufficiently important role in influencing what could be a coming together a little bit, even if in private, between the US and China. Also, how do you think the US and China see the EU in this context?

Mr Baldwin: Thank you. I think I have said what I said on the G question specifically. On what you say, it is right to say that the US and China will speak more. I think it is good that they will speak more at the strategic level. Under the Bush Administration and now under the Obama Administration both sides show a great readiness to engage and that is a good thing.

How does the EU address this? First, to pick up what Lord Hamilton said, I do not think we should be paranoid about it. If I came across as paranoid, that was a mistake.

Q321 Lord Jay of Ewelme: You did not!

Mr Baldwin: It is natural that big players with considerable military might and large and growing GDPs should talk to each other and try to iron out their problems. Where the US and China quarrel, the world has a problem. I think the EU can play a role where it can to show leadership, with a small ‘I’, as it has on climate change. We are proud of what we have achieved on climate change and energy. We have done it because we think it is the right thing to do and we think it is good for Europe and the European economy and the rest of it. We are not trying to be too sanctimonious about it. The US, China and others have said they are very pleased with what we have done and pleased that we have taken this lead. President Barroso has said several times that he is also very happy, indeed anxious, to share that leadership. He jokes sometimes that it feels a bit lonely on the climate stage banging the drum on 20 2020 and we would be delighted if the Americans were to become acknowledged as the leaders on this issue, or the Chinese, the Indians or anybody else. As to how they see us, you must ask them. I find myself a bit impatient, and I think I used the expression in my opening remarks, at this sort of sense of “The EU soft power but we will do the real stuff”. I think that is a gross oversimplification of what goes on. A lot of the discussions we have with the Chinese and, indeed, the Americans are very real, about real stuff, and the fact that we are not talking about troop movements and sizes of particular battalions is the only soft thing about these discussions, whether you are talking about trade or climate change. I hope they see us as important partners with which they can do business and that what we say we will do sticks and we are quite ambitious to expand those relationships and put both of our bureaucracies and political systems under pressure to deliver more. That is the way I would like them to see us.

Q322 Lord Crickhowell: Before I turn to climate change, in which I have a particular interest, can I ask you a general question. We have been talking about Europe so far but one of the things we discovered particularly when we did our inquiry on Russia was that other countries may like to talk to Europe as Europe but they also find it extremely helpful and often more productive from their point of view to talk to individual countries or do individual deals. Energy and Germany is an obvious example in the Russian context. In the China context, how far is China happy talking to Europe as Europe or do they find that here, as in some other areas, the lack of total agreement by the members of the European Community when it comes to their own interests, such as energy for example, is a complication? It is the general view on the old, old problem of Europe not being quite as united as one would like or others would dislike it to be.

Mr Baldwin: As you say, it is an old, old problem. I think you have to unpack it a little bit. On the one hand, I think countries like China, the US, and you mentioned Russia, are more happy than sometimes the press would have you believe to talk to the European Union qua European Union for the reasons I have given, that I think we have shown we can deliver, including on things like energy. I am not talking in a pure competence sense but a political sense. We act increasingly as a union. There is always going to be, for as long as nation states exist, and they should continue to exist, a parallel set of contacts between big countries and particularly the bigger Member States. I mentioned earlier the High-Level Economic Dialogue. There is a UK dialogue, there is a German dialogue, and I am sure there is a French one. There will always be a temptation for countries when it suits them, and commentators have suggested that the Russians are particularly prone to try to do this, particularly in the case of energy, to play divide and rule. If I could answer your question in a general way, I think there is more awareness of that problem. To use the example of the energy crisis we faced in January, where I would argue the European Union was exemplary in its response, where some Member States were deprived of their energy supplies from Russia

coming through Ukraine, we played it rather well. We were very even-handed, we did not say, “It’s Russia’s fault” or “It’s Ukraine’s fault”, partly because it was very difficult to say whose fault it was. We did not play the blame game. We said that Russia and Ukraine were showing themselves to be unreliable partners that, the Russia-Ukraine supply route was showing itself to be an unreliable one, that we insisted on our energy supplies being restored on an unconditional basis and that must happen immediately. All the pressures which you referred to, Lord Crickhowell, that the Germans or whoever that a closer relationship allegedly with the Russians on these issues were not in fact problems in practice. We had Council after Coreper after Council coming out delivering the same message, all Member States agreeing with what we and others had been saying for some time, which was that we need diversity of routes, supplies and origins of our energy. It was a good example.

Q323 Lord Crickhowell: I diverted you rather on to Russia. Are there any particular issues in the China relationship where individual national interests perhaps separate, or might be inclined to separate, other countries from the general European approach, or is that not a significant problem in China relationships?

Mr Baldwin:

I would say on most cases, and let us think about climate change and energy, the national relationships with China - the UK has got a very strong UK-China relationship on low carbon zones and trying to develop near zero carbon emission areas and CCS and all those things - are multiplying and value adding. We are certainly not in the business of saying, “Leave it all to us. Channel it all through the European Union framework”. These are good things to happen and we often see them echoed and multiplied at the European level. I am sorry, I will have to reflect about it a bit and I shall mention your question to colleagues who may come with other examples.

Q324 Lord Crickhowell: Going on to what some might think is the most important single issue between China and Europe, and you put it very high on the list, which is the climate change issue, you appear very optimistic or encouraged by progress on co-operation particularly as we go towards Copenhagen. Incidentally, in the discussion that you had about American involvement, some may feel that if we are really to make progress in getting a world carbon market it is absolutely vital that the US and China talk and make progress in their talks. I should have thought that would be wholly positive in bringing along other possible participants in a world approach. Is there not still a gap in expectations between the EU and China? China is looking for technical and financial aid and so on, but they also have a huge priority in developing their internal market, therefore there are real problems in their making the progress that we would like to see them making in reducing the level of emissions. Is there really a coming together or is there not still a gap in what each is looking to the other to provide?

Mr Baldwin: To answer the second point first, there is of course still a gap and I do not think anyone should expect anything other than a very difficult year ahead of Copenhagen. I was taught many years ago never to be optimistic or pessimistic about these things, you have to play it through to the best of your abilities and hope for what comes out. I would say we are encouraged by various developments, one being the sea change in a number of government attitudes. As the US Secretary of State, Hillary Clinton, said, "We're back in these discussions. We have been absent for a long time and we are back". That is hugely welcome and has an effect far greater than the simple act of the US rejoining the discussions and actually being ready to talk about the Kyoto items in the discussions in Bonn. It has an enormous ripple effect. They are not alone. I have just seen the Australians and they are also back in this. This is incalculably important. Of course, we have known that both of these countries would be back for some time but seeing it happen is still having a positive knock-on effect. I absolutely agree it is vital that the US and China should talk and it is vital they make

progress. There is a scenario, and I do not believe this is a likely scenario and I do not wish to suggest this is what we think is happening, whereby they cut a lowest common denominator deal, and I think that is what commentators have worried about, that both of them agree that they cannot do very much for different linked reasons and, as you say, make it difficult for the rest of the world to reject a substandard deal. I do not believe for a moment that is what the Chinese and American discussions are about. I hope they are about gently working together, increasing each other's level of ambition and valuing each other's contributions, both under classical cap and trade targets in the case of the US and maybe looking outside those areas to see what other things are going to be driving emissions down which will help contribute. I think John Ashton was quite eloquent on these particular points.

Does China have an insurmountable problem, a sort of dichotomy between growth and addressing climate? It would be wrong to pretend it is not a problem, but it would equally be wrong to pretend that there is not a narrative and set of political solutions out there. To use the CCS example, if we can find a cheap way to commercialise CCS, and there are lots of different models and problems involved in CCS, we, the European Union, have shown with the actions we took in adopting the package that we are ready to bet on CCS as being an outcome. If we can find a way to commercialise that there is a way for China to continue to burn its huge supplies of coal and cut emissions at the same time. We need to look at all solutions - CCS is just one example - for ways to minimise and reduce that apparent dichotomy. A last comment if I may. One has to be very careful about this "recession as opportunity" rhetoric as people become unemployed and companies go bust and people are plunged into misery, but we have to take the opportunity that the recession presents - I am sorry, you have heard this many times - to come up with a green low carbon recovery and we would be silly not to take that opportunity. The European Union has led with its actions, not just its words, in adopting measures on the five billion unspent funds to look for ways in which we can build a better and more climate friendly infrastructure.

Q325 Chairman: Can I ask some broader questions, but hopefully short ones. We have struggled at certain times during this investigation to really see what the EU can offer or what China are interested in in the EU in comparison with the larger Member States. If I asked you what does the EU uniquely offer to China that individual Member States do not, what would that be?

Mr Baldwin: That is a good question. I think in a number of areas we can offer additional benefits. One is on trade, where there is unquestionable EU competence and where we, including the Member States large and small, are now used to working within a Community framework. That is in our interests and I think with countries like China and across the world recognise there are benefits to negotiating and dealing with this single entity called the European Union. The other areas where you have competences are less clear: climate change and energy are good examples. There are still benefits to be had. If lying behind your question is the sense that it is in the interests of countries like China, Russia and the US to play divide and rule and get a better deal or a better arrangement because ---

Q326 Chairman: I was not particularly looking at it from that point of view, to be honest.

Mr Baldwin: I do not think that is necessarily the case. To the extent that we can play a role as a union in these topics where competence is less clear, and I think we can for various reasons, and make a real contribution as a union, it is in their interests that we can make deals stick in a broader sense and bring more to the table.

Q327 Chairman: Can I just ask it in a different way. If the EU disappeared tomorrow would that be a problem to China or would it be business as usual for China?

Mr Baldwin: I think for the reasons I have given they would manage, I imagine. They would not fold up their tent; they would somehow survive. But I hope they would recognise it would be a loss. I hope all our partners would recognise that it would be a loss. For the reasons I

have given, I think we can give them real benefits. We can decide by multiplying our resources to focus on things that even the large Member States cannot particularly. Over time, what we can offer as a union, for example, on CCS would be more than any one Member State could. I think there would also be a sense of political loss. I think China has got something out of the richness of its contacts with us as a union and a developing sense of the richness of those contacts as set out in the statement you referred to right at the start. Your question should really be put to the Chinese and I would be interested to see the answer, but I am optimistic that they would answer that question as ---

Q328 Lord Crickhowell: The other side of the same question in a way is we keep hearing evidence that makes us say, “Stop talking all the time about China as if China is one centrally directed organisation when increasingly it is very diverse”, particularly in trade and business terms. We very much keep hearing it is a matter for individual businesses or individual parts of China, it is not all just one. Would you agree with that analysis?

Mr Baldwin: Yes. China is more unitary than a number of countries we deal with, like Canada or the US, in the sense that with a reasonable expectation, if you are talking trade, you can talk to China, the central authorities in Beijing, alone. Compared to a lot of countries they are pretty good on the rule of law question in that their writ runs. You are right that it would be a mistake, to regard only contacts between the Commission, or maybe the Commission and Presidency in the context of summits, to be the vital and crucial parts of the discussion, i.e. when we are sitting across the table from Wen Jiabao. You must again ask greater experts, but the philosophy of this is a multiplicity of contacts, parliamentary contacts, business-to-business contacts, NGO contacts: all of these are coming along. One of the things I have been associated with in the past is the development of an EU Chamber of Commerce in Beijing. I am a bit out of touch, I have not seen their recent performance, but until very recently they were adding an enormous number of companies and they have gained, I think

considerable interest in being a European chamber rather than a national chamber reflecting, again, that many businesses are not Dutch, British, German or French, but European. The umbrella that the European Union offers for this multiplicity of contacts is of enormous value.

Q329 Lord Jay of Ewelme: Do you think EU contacts, an EU dialogue, does or could have any real impact on two quite important issues which have come up in our inquiry? The first is China in Africa and the second is human rights.

Mr Baldwin: On both of these issues you are seeing people with greater expertise this afternoon. You are seeing Koen Doens from the Michel Cabinet and Patrick Child and others from the Ferrero-Waldner Cabinet. I will give you a general answer. We produced, though I say it myself, an interesting paper on the triangular issues involved in Africa last year.

There was a risk that we would be seen as lecturing China to “keep off our turf” and a risk that the Africans would see it as a sort of neo-colonialist attempt to say, “We know how to deal with you chaps, go away nasty Chinese”, which was not at all our intention. In fact, it is a very fast developing and interesting new set of relationships between China and the Continent of Africa. A number of commentators have criticised these relationships as being about a fast-track to taking all African minerals and resources away. The interesting thing is China’s reaction to that accusation. They feel this is misunderstood, that they are developing a much richer set of contacts. This paper is an attempt to provide a stimulus to the debate between the EU, China and Africa. But human rights is not a subject I have followed closely.

Q330 Lord Jay of Ewelme: We could follow that up separately.

Mr Baldwin: I think, given the time, I had better defer on that issue. It is an issue where we need to be fairly precise about what we are talking and I am not an expert on it at all.

Q331 Chairman: Can I follow on from that and ask in relation to the European “soft” agenda, of which I suppose human rights would be one, democracy, all those sorts of things that we espouse as values, the value agenda of the EU, is there any evidence that the EU has any leverage on any of those areas or is it just a ritual that we go through at every meeting?

Mr Baldwin: It must not become a ritual because then it loses any of its importance and value. We have always stood up firmly but fairly on the issue of human rights. Fairly, I would say because at the time when there was a lot of anxiety about human rights in Tibet, when President Barroso was in Beijing it was during his visit that the Chinese announced a dialogue with the Dalai Lama, this was last spring, and in my view this was not a coincidence, this reflected that they had come to recognise this was an important issue for Europe, as we had said time and time again, and it was not a coincidence that the Chinese offered that dialogue while we were there.

Q332 Chairman: Could I ask one last question. You mentioned the French situation with the Dalai Lama.

Q333 Chairman: Hopefully you might be able to say something on the record. In a way, the fact that the summit was cancelled at the time but a tour took place, and Britain and Germany did not stand by France over that decision at all, I would have thought in terms of European solidarity it would have been a question of other Member States saying, “Well, France has the ability to do that and they have the same values, therefore why are we accepting visits when that has been stopped in terms of France?” There was no real solidarity there at all, was there? I do not think China would ever have done that with the United States, which is one of the other points that has been brought up. Did that really do some damage? Did the European Union not allow China to walk over it rather in terms of that reaction to Sarkozy?

Mr Baldwin: My Lord Chairman, I know it is contrary to all parliamentary tradition but I am really going to duck that one.

Q334 Chairman: That is entirely for you.

Chairman: Can I thank you very much indeed for fielding a very broad range of questions.

Thank you.