Lecture given by Jean-Claude Juncker: A multidimensional Europe (Luxembourg, 11 December 2006)

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Lecture given by Jean-Claude Juncker: *The state of Europe* (Luxembourg, 11 December 2006)

Rector,
Dean,
Professor,
Lecturers,
Excellencies,
Ambassadors,
Ladies and Gentlemen,
and, in the case of many of you, very dear or just dear friends, […]

the people who introduce me always cause me to wander from the subject. If you say, Rector, that you once praised [Jordi] Pujol, then I believe that you are capable of anything, and so for you to be able to speak highly of me is quite natural. Because you were rather uncomfortable to have to do so, you turned to German press articles, as you yourself would no doubt shy away from using such laudatory terms, terms with which the German press — unlike the Luxembourg press — usually showers me. I am grateful to you for having outlined in front of at least a few Luxembourgers one of the impressions that German observers may have. If you say that I apparently once said — something of which I am quite capable — that I am 100 % Luxembourgish and 100 % European and that you did not grasp the full meaning of this over-complicated expression, I owe you an explanation. If I am 100 % Luxembourgish and 100 % European, the truth is that I am probably 130 % Luxembourgish and 70 % European, which still makes 200 %, and I alter the two proportions according to the circumstances.

I am here to talk to you about the state of Europe. When I was asked […] what would be the subject of my lecture, that is what I chose. But I must say, as some professors have this particular gift of correcting everyone, that I had actually thought of using the word ‘states’ in the plural. But as you chose to talk about it in the singular, I shall go along with you. What is the state — singular — of Europe? There are many states in Europe, and there are equally many factors which contribute to its current state.

There are those who say that Europe is not in crisis. You will notice that most of those who say that Europe is not in crisis come from Paris and The Hague and not from the now 18 Member States who have ratified the Constitutional Treaty. If I were Prime Minister of France — something that I would not wish on our neighbouring Republic, nor on the north of Benelux if I were Prime Minister of the Netherlands — I would doubtless say that Europe is not in crisis, as I would not like to shoulder this heavy responsibility of having interrupted a process which we believed, when we observed it from a distance, to have been historic. I would not like to be the troublemaker causing the problems which are going against the tide of history.

The British, Polish, Swedish and Portuguese people — and I daren’t neglect them as they have not yet given their views — will no doubt say that Europe is not in crisis. They might perhaps say, somewhat doubting their rather far-fetched words, that Europe is pending. I, Prime Minister of a country which, by means of a referendum, like our very dear Spanish friends, said ‘Yes’ to the Constitutional Treaty — I say that we are in crisis. I say this because the process to which I referred earlier was interrupted.

Why is Europe, and by this I mean the European Union — the distinction must be made between the continent and the European Union — why is the European Union in crisis? It is not in crisis because our French and Dutch friends said ‘*Non*’ and ‘*Nee*’, because this double ‘No’ from France and the Netherlands in response to this important question of contemporary history is not really what triggered the crisis. This double ‘No’ instead points to a crisis which already existed when the members of the Convention — diplomats, Members of Parliament at national and European level followed by the Intergovernmental Conference, and finally our Foreign Ministers and Heads of State or Government — tried to imagine what the future of Europe might be. Already, at that time, I believe that Europe was undergoing a serious crisis.

I could say, without taking too many risks, that I had sensed it. Several of my speeches indicate, between the lines, in the subtext — as the Luxembourg professors, who never believe what the government puts down in

writing, would say — that this crisis already existed. […] … I have often said that Europe was in crisis because we have not, in some instances, reacted as we should.

Why is Europe in crisis? Firstly — and this is particularly telling — because the sense of consensus, the pleasure — extreme pleasure — of reaching agreement, has been lost in Europe. There were, at one time, 10 of us. When I was beginning my European life there were 10 Member States. Intimacy, complicity, ambushes and embraces, but always agreements. Then I witnessed the arrival of Spain and Portugal, a major addition which completed Europe in the south, two countries which were bound to Europe. Two Iberian countries which, when I got to know them, suffered under the most vile dictatorships. Then came the Swedes and the Finns — Finland behaved from day one like an old Member State, like a founding Member State — and Austria, which was trying to find its way and which will find it one day. Then we became 25, and we shall be 27 as from 1 January. When we were 10, 12 or 15, the fact that we were able to reach agreement in difficult circumstances, in the adversity of positions which were very often contradictory, or even conflicting … We believed, in this naïve but halcyon period of European integration, that reaching agreement had some intrinsic value. The fact that 15 Member States, or subsequently 25, reach agreement in a continent like ours, characterised by deep wounds which time and the passage of time have inflicted on it, always seemed to us to be somewhat of a political miracle. Even if we never agreed on everything, the fact of reaching agreement triggered enthusiasm, at least for those who had participated in the agreement.

When we reached agreement on the Constitutional Treaty, I noticed that this enthusiasm seemed rather half-hearted. I do not attribute this fact — just so that there is no misunderstanding — to what could easily be described as a consequence of the recent enlargement. Among the 15 Member States of the former European Union, there are a number of countries, even governments, who no longer experience this pleasure in securing a compromise. This is an issue not so much for the new Member States but for the European Union as a whole. I often speculate on the question of why this constructive ambiguity, this taste for systematic compromise, no longer finds favour with everyone. I attribute this to an observation — long-held for me, more recent for others — which is that the consensus which may exist between governments is no longer a consensus which can be extended to cover the peoples of Europe.

There was a time — in the 1950s, the 1960s, the 1970s, the 1980s with a few gaps, and the late 1990s, yes — when the peoples of Europe wanted more Europe. Each time that the governments started, tried, began, the general public, the peoples of Europe, said: ‘Oh no, that’s too tentative. You’re not putting enough Europe in your plans. We want more Europe.’

There was a time, when I was young, in Belvaux, when, if the governments put forward a proposal, the people of Europe seemed to say: ‘Hurry up, there is no time to lose. Be more ambitious! Achieve more Europe!’ The governments gave the impression of being hesitant compared with the level of expectation of the peoples of Europe. That has changed. That has changed dramatically, because there are currently two camps in Europe, two groups which are almost equal. The first group, to which I belong, says, ‘We need more Europe’, and the second group says, ‘Whatever you do, there is already too much Europe today’.

This fundamental consensus no longer exists. The peoples of Europe always used to want more Europe; today, as soon as someone says ‘Europe’, the first group says, ‘It’s not enough’, and the second group says, ‘It’s too much, because there is already too much. Enough is enough.’ This is the retort thrown in our face by half of the European general public; the European general public, which does not exist in itself, as it is merely the combination of each country’s general public. In each country, the general public is roughly divided along these lines. In Luxembourg, we saw — and this was no great surprise to me — that 44 % of the Luxembourg people said ‘No’ to the Constitutional Treaty, without saying why but basing their feeling on this fundamental uneasiness within the general public with regard to European integration.

If I say that the crisis which we are currently experiencing was revealed by the French and Dutch ‘No’ and that this French and Dutch ‘No’ was not the reason for the European crisis, because at the origin of the European crisis are two groups of the general public which just stand glaring at each other, we must, if we want to prepare for the future, speculate on why there is this clash between two sections of the general public. I believe that there are several reasons for this.

Firstly, I believe that politicians — including myself — governments, all those in power are no longer in the habit of establishing a dialogue with the peoples of Europe which makes the peoples of Europe continue to fall in love with or remain in love with Europe. If, during every meeting in Brussels — and you will see this tomorrow, because our Foreign Ministers have reached agreement on Turkey, which means that, tomorrow, you will find out about the major areas of disagreement, as some will have won and others lost — if, at every important moment of European integration or at every interim stage of the rudimentary integration of Europe, those who take part in European codecision explain to their general public either that they have won and therefore torn to pieces the arguments of the others or that they have not been able to convince the others, because the others were not sufficiently intelligent and erudite to understand the point of view which did not prevail, we should not be surprised when, in the eyes of many Europeans, Europe bears a closer resemblance to a zone of conflict between the national interests of the various countries than a place for meeting and securing compromises that seek to derive the common European interest from the plethora of European debates, which are essentially national in nature.

Europe is the machine which builds the common European interest. We explain all too often to those who observe us, and we explain all too often to our constituents in our own countries, that we either win or lose. But, in Europe, we don't win, and we don't lose. We build the common European interest. Over the past 20 years, we have never succeeded in bringing the concept of a common European interest to our European citizens. Our leaders actually denigrate Europe, vilify Europe, criticise Europe, attribute to Europe all the problems that national society can generate. All the efforts that we require of a national community actually have to be shouldered by the European Union, as if the European Union were a body and a neutral monster, as if it were not made up of a number of national members who contribute to the constitution of its collective will!

Secondly, we have allowed Europeans to forget about European pride. This is what actually annoys me the most. Europe was capable of committing the most appalling acts, and it has become capable of the finest achievements. It is admired the world over for this. It is wonderful to be a European when not in Europe! When I am in Asia, when I am in Africa, when I am in the Caucasus, in the former Soviet Union, when I am in Moldova — I haven't actually visited all of these countries, but this gives you an idea of my forthcoming schedule — this admiration for Europe is huge. Excitement for Europe can be palpable, eyes light up when others, who have not experienced continental cohesion, speak about Europe, only for me to return home and discover this mediocrity, this disaffection with Europe which characterises the feelings of most European citizens.

Why are European citizens no longer proud of Europe? It is because we have neglected to make them proud of Europe. For me, although not for the majority of people, one of the major European plans was and always will be Europe's peacemaking vocation. We can not escape the history of the European family, nor the life stories which are passed down to us by our parents and grandparents. I was brought up by my father, who, although he did not talk to me about it a great deal, did speak to me from time to time about the war. My father was — because he had to be — a German soldier, even though he had nothing to do with those people. Hitler forced him to join the German army, and my father, at the age of 18, made two trips: the first from Dahl to Wiltz, just five kilometres away, and the second from Dahl to Russia, because he had been forced to become a German soldier, to wear a uniform which was not his own and to fight those who were working to liberate his country. Now, I am not prepared to forget that. Europe is primarily the instrument of those who, after the war, wanted to translate into a political manifesto this phrase which is repeated after every war: 'No more war'. It was the first time in the history of Europe that those who had to fight a war, that those who returned from the battlefields, that those who returned from concentration camps said to each other: 'Never again!'

We, who are young, who have grown up in happy, prosperous times, who have not experienced any crises comparable to those through which our parents and grandparents lived, we think that this problem is resolved for good, that peace is a given. Peace, especially in Europe, is never a given! Never a given. It is incredible to see that the Europeans of today, those who went to vote in the referendum, those who criticised this and that — and everything that can be criticised — it is amazing to witness the ability to forget among

today's generations.

Ten years ago, there was the war in Bosnia. Ten years ago, people were fighting on the streets of Sarajevo. Ten years ago, women who were cooking in their kitchens or feeding their children in their bedrooms were shot dead from the hills of Sarajevo. Ten years! Seven years ago, there was the war in Kosovo with this terrible funeral procession, with the concentration camps, rapes, child massacre. Today, we are told that we should no longer talk about war and peace in Europe, while at the very heart of the continent, just one and a half hours away from Luxembourg by plane, people were killing as they had killed in the 1940s.

I therefore maintain that the terrible debate between war and peace will always remain a European issue. If, as I am told, young people do not want to hear about it any more, I don't care, they must hear about it, they must listen in order to understand Europe as it was, Europe as it is and Europe as it must remain. The fact that, today, we consider peace to be fundamentally self-evident is not sufficient reason to support the case against the adoption of a peaceful dialogue in Europe.

The whole world admires us for having made Europe a peaceful continent, because it seems to me that non-Europeans are more familiar with the history of Europe than Europeans themselves. They know that we have always been a continent of rifts, divisions, fragility, major trends, a continent which has never been heading for peace but which has always turned to the hostility of weapons to resolve its conflicts, while, today, we resolve our conflicts — if there are conflicts, and heaven knows that there are — by peaceful means, not diplomacy but political integration.

We have not taught Europeans to be proud of their economic success. The internal market, already enshrined in the Rome Treaties — of which we shall soon be celebrating the 50th anniversary — experienced a genuine revival, or rather was first really established, when my mentor, Jacques Delors, was President of the European Commission and launched the single market in 1985 with the idea that the latest date for its completion would be 1 January 1993. 'Europe 1992' was the slogan which motivated all those involved during the second half of the 1980s. We have become the largest internal market in the world. Today, within this internal market, which is a large market, the largest market which exists, 450 million consumers have witnessed the disappearance of the technical and commercial barriers between the isolated markets of Member States, all the elements which made competition in Europe artificial. We have replaced what was artificial with skills and direct competition.

Of course, not everything is perfect in this internal market. It must be completed. Just look at the energy market! We are in a somewhat ridiculous situation, because European energy policy does not exist. We are confronting the Russian President, which we recently did in Finland, as a group of 27. You can see the impression that that must make on him, when 27 Prime Ministers admonish him and tell him how things should be done, instead of a single European, on behalf of everyone, telling him about the state of the security of energy supplies, of the organisation of the energy markets between Russia and the European Union. I had a meeting last Tuesday with the President of Kazakhstan to talk about energy. I outlined to him the needs of Luxembourg in 2015. He was very polite, because he took it seriously. But I did not take it seriously, because I would like us to be able to discuss with our major suppliers as a European entity instead of having to subdivide ourselves into energy zones which do not impress anyone and of which no regional body, neither German, French nor British, has the critical mass to be able to impose its views on those who will guarantee our future energy supplies.

Just look at the disintegration of the financial markets in Europe! We have to lend a hand, if I may put it somewhat too simply, to work towards the extensive integration of the European financial markets.

Just look at this huge social deficit that has been caused by the establishment of the internal market! How is it possible that, in Europe, we remove all the obstacles, we reduce to their simplest form — in order to remove any artificial barriers — direct competition and, as a result, competitiveness between the subgroups of the European economy but that we do not think for a single moment about the necessary social aspect of this mercantile construction that is the internal market?

How can we have harmonised indirect taxation, as much with regard to value added tax as excise duties, and, by coordinating them, virtually harmonised the regimes of taxation on savings, how can we have harmonised, as far as possible, whilst still remaining far from the desired result, corporation tax, because we have reached agreement on a code of conduct against unfair tax competition, how can we have eliminated, or virtually eliminated, all obstacles, without being able to reach agreement on the basic rules concerning European labour law, employee protection against redundancy, the regulation of what are known as atypical work contracts which, today, are becoming typical, because the permanent contract, except in the case of Luxembourg, has become, in almost all the countries of the European Union, an atypical contract which has been replaced by temporary or fixed-term contracts, something which is causing the young people in Luxembourg to demonstrate, while all the generations should be demonstrating in all the other countries of the European Union. This is senseless, because it is too narrow an interpretation of our collective action in Europe.

We have been unable to make European people enthusiastic about the single currency, the euro. It is remarkable that the whole world applauds us for having merged, to date, 13 of our national currencies into a single currency but that we are not pleased, proud, satisfied at this extraordinary performance which is unequalled elsewhere, because no other part of the world, no other sector of the globe has been able to merge its currencies as we have done.

When I signed the Treaty of Maastricht on 7 February 1992, people actually made fun of us. People said that we were a naïve group to think that, when the time came, following the process launched on that day, we could unite in a single monetary form so much economic, monetary and socionational diversity. I am, moreover, the only signatory of the Treaty of Maastricht who is still Finance Minister. So the euro and I are the only survivors of the Treaty of Maastricht! […]

No one believed that we were capable of that. The university professors, my dear Rector, in all the faculties — all intelligence combined — did not believe us to be capable of that. Especially the German sector of the European university scene, which has become very silent. It is strange that professors go quiet at a particular moment. It is rare in the history of exact science. But economics, I must say, is not an exact science, while physics is, of course. This is the reason why an eminent physicist, Mr Solana, was awarded the Charlemagne Prize, because it is preferable for another scientist to follow one who speaks about politics as if it were an exact science, which is not really the case.

The Americans did not think that we would be capable of establishing a single currency. I shall always remember — I think that I have already told the story here — a meeting that I had with President Clinton in August 1995. He said: ‘Tell me about Europe.’ I told him my story of the euro, etc. And after three minutes, he cut me off and said: ‘No, I wanted to ask you about Turkey.’ Robert Rubin, who was United States Secretary of the Treasury, interrupted me after three or four minutes and said: ‘No, no, tell me a little bit about the internal market.’ One year later, I went back to Washington and received a telephone call from the US Finance Minister, who said: ‘One year ago, you spoke to me about this single currency. Could we meet up again this evening to discuss it?’ It was a Saturday. Aware of my sudden historic importance, I said to him: ‘No, I have something else to do this evening.’ So we arranged a breakfast meeting on the Sunday morning in the Treasury to talk about the euro, which, at the time, was not yet called the euro. So the Americans were the first to understand that something was happening in Europe. And we did it.

If we had not done it, what would have happened to the European economy, its national currencies and its archaic economic–national subdivisions? Anyway, we were in the European Monetary System. I was Finance Minister, a post which I had taken up in 1989. I had to go to Brussels every three, four or six months for the realignment of the European national currencies, which were constricted in the European system. Every time that anything happened, the European currencies started fighting each other. We lost some market share, and others won some market share. But there was no objective, fundamental reason for these monetary readjustments. What would have happened to our national currencies after the Latin-American financial crisis, the crisis which hit Russia, the one in South-East Asia? What would have happened to our currencies after 11 September 2001? What would have happened to the European currencies during the war in Kosovo? What would have happened to the national currencies during the war

in the Balkans — Bosnia, Kosovo, etc. — which was the first war in Europe since the Second World War? What would have happened to our national currencies during the Iraq War? What would have been the future of the French franc and the Dutch guilder after the French '*Non*' and the Dutch '*Nee*'? And how would the poor old Luxembourg franc, which was Belgian, have fit into all this? Imagining the problems that the European economy would have had to overcome if it were not for the euro, trying to imagine for a moment the shakeouts which would have occurred under the weight of the rules of the competitive market following all these events clearly illustrates the real anarchy, the monetary chaos which would have occurred in Europe.

This brings me to the subject of enlargement, something of which European citizens are not proud. European citizens see the internal market as a threat. The people of Western Europe, whose post-war trials were few, see enlargement as another threat, as if the people of Western Europe always need to feel threatened by something. Europe was built over many decades using instruments which were invented to fight against fear. The Soviet Union was seen as a threat. War, at the beginning, after the Second World War, was seen as a threat. Today, the terrible threats have disappeared, even though the threats of the asymmetric wars which we are currently witnessing must not be forgotten. Accordingly, we try to imagine other threats so as to be able to cultivate our national identity more successfully. Enlargement, or the accession of new Member States, is considered to be a threat. I believe that the responsibility for this lies with the politicians, because we have been unable to maintain this enthusiasm which accompanied the fall of the Berlin Wall. If, on 1 January 1990, you had asked any European citizen if, yes or no, he agreed that the countries which did not yet exist in the former Central and Eastern European bloc should join the European Union, the 'Yes' would have been overwhelming. It would have been overwhelming for several years, up to the moment when politicians started to explain to the public that, yes, there was a threat, that hordes of Central and Eastern Europe would invade our labour markets, would take our jobs and our bread, and that we would have to hide away our children, because the almost Mongolian hordes would come and devour everything in Western Europe. At that moment, we started to speak about enlargement in more negative terms of anguish and fear.

We have never explained to those who were already having doubts as to whether they could continue to trust us the fundamental reasons for this enlargement, which is entirely to Europe's credit. Do people know — and do people acknowledge? — that, since 1 January 1990, in Europe, within Europe, and on the immediate outskirts of Europe, 23 new states have come into existence? Are the people of Europe aware of the fact that, on their continent and on the immediate outskirts of their continent, 23 new subjects of international law have been established? Do people know that, of the eight Member States from Central and Eastern Europe which acceded to the European Union on 1 January 2004, six did not exist on 1 January 1991? Six of the eight did not, at that time, exist as state entities!

Twenty-three new states were established — I say twenty-three because Montenegro came along a little later. If I were not a Luxembourger, I would warn Europe against this creation of micro-states. Seeing this rash of new Member States arrive, what choice did Europe have? Should we have left to their own fate, to their own imagination, to their own talent these new subjects of international law which would very rapidly have clashed with one another and with other countries because they had so many unresolved issues of ethnicity, minorities and borders? Was it not more sensible, since they requested it, to arrange for their entry into the proven, experienced sphere of solidarity that is the European Union? The former Yugoslavia split into several entities, Czechoslovakia divided into two. Germany underwent reunification, a move in the other direction. Had we left all of that as it was, had we left history to act as it always has done in Europe, in other words by resolving all its problems using traditional methods which were neither diplomatic nor peaceful, the continent of Europe would be a continent in utter chaos.

Without the addition of these two elements — the euro, which has protected us against outside shocks and calmed internal conflicts, and enlargement, which has meant that these conflicts, which were already on the horizon … — had we left these new autonomies, this new independence, this newly acquired sovereignty to develop, what would have been the state of Europe today after the impact of these events which would have had a negative influence on economic growth, on the state of our economic situations and on the development of our currencies, as I outlined above? Had there not been enlargement, what would have become of the continent of Europe, had there not been this guiding hand which was freely accepted by the

new Member States of the European Union?

In the world, Europe is admired because it has been able to replace war with peace. Europe is admired because we have been able to merge our currencies. Europe is admired because we have been able to establish an internal market from our separate markets. Europe is admired because we have succeeded in establishing closer relations and in peacefully reconciling European geography and history, which, following a disastrous decision for post-war history, had given the impression that Europe would forever be divided into two irreconcilable parts.

European successes are numerous. It is strange that other people notice this but that we ourselves struggle to see the results of our collective successes, because we do not like to talk about collective successes, most of the governments preferring to give the impression that they shape the destiny of their nation and not wishing to support the idea that they shape the destiny of their country in a community, showing solidarity with other governments and other countries. It is hardly surprising, after having organised, noted and recorded so many successes and in spite of this impressive list, after having continued to criticise Europe and to describe Europe as the monster which threatens the existence of national identities, it is hardly surprising that at least two countries said ‘No’ to the Constitutional Treaty by referendum.

You will ask me: ‘And what do we do with the Constitutional Treaty in all this?’ I think that we need to start by respecting those who said ‘No’, even though I find it very hard to make sense of the disparate nature of the groups which supported the ‘No’, both in France and in the Netherlands. In the Netherlands, where I followed the referendum debate, it is believed that the French voters said ‘No’ for the same reasons as the Dutch voters said ‘No’. And, in France, it is believed that the Dutch voters merely followed the arguments of the supporters of the ‘No’ vote in France. Nothing could be further from the truth! If the French ‘No’ and the Dutch ‘No’ had to reach agreement on a treaty, everyone else would say ‘No’, including the Dutch and the French. It is not easy to understand the psychology of one’s own nation, let alone the psychology of others.

We also need to respect those who said ‘Yes’. Eighteen countries said ‘Yes’, including two by referendum: Spain and Luxembourg. It is unacceptable for our French and Dutch friends to believe that we should match up to their ambitions, ambitions of which they are unable to qualify the scope or the critical mass. It is especially unacceptable for those who have not yet reached a decision — Sweden, the United Kingdom, our Portuguese friends and others — to tell us today what we should do. That is not acceptable. It shows an utter breach of trust. Twenty-seven of us sign a treaty, two say ‘No’, eighteen say ‘Yes’ and the others tell us how we should proceed? Those who have not even dared to ask either their Parliament or their electorate via universal suffrage — referenda — what assessment their fellow citizens would make of the text that we have signed! There is a rule: when a text is signed, it is implemented. If those who are responsible for authorising a government to implement a text do not ask for their opinion, it is the free choice of the government, but I do not find that very ‘gentleman-like’. That’s the rule: the texts that we have signed must be submitted for ratification. We should not have to be subjected to endless good advice from Lisbon, Stockholm or anywhere else! Some said ‘No’, some said ‘Yes’, and those who said nothing should interfere in the debate only if they are asked for their views, after having strongly insisted on being allowed to voice their opinions. Those who have said nothing, and who should therefore keep quiet, are not entitled to have their say at the beginning of the reflection period on the future of the constitutional process. Others have taken a number of risks in very difficult, one might even say dangerous, circumstances in order to submit this text to popular approval. I find it unacceptable that those who did not have this basic courage, the courage of their signature, should be telling us today what we should do.

I read, like you, that Europe apparently needs projects other than the constitutional proposal. This is true. I do not really like this expression that we now need a Europe of results, but it is true. We must perfect the internal market by adding to it this social dimension which it is lacking. We need to take decisions in order to build up the area of freedom and justice, all that falls within the sector of justice and home affairs: the fight against organised crime, the fight against international terrorism, the fight against cross-border crime. Much is said about a people’s Europe, but the people’s Europe is there, in the rights that the European Union must provide in order to consolidate them, because the nation-state is too weak to do so, to ensure freedom,

justice and security. We need to build up a judicial Europe, which does not really exist, not only with regard to criminal law, which is essential, but also with regard to civil law. We need to settle in a typically European way cross-border conflicts of law, in particular those concerning family law, which, I agree, is essentially a national issue. All the same, cross-border divorce exists, especially in Luxembourg, because there are a lot of cross-border marriages. We are not at the Vatican, so we do not consider such commitments as absolutely indissoluble. Divorce exists, and, therefore, we need to settle, over and above international agreements, in a more strictly and specifically European manner, all these issues concerning the conflict of laws.

I have mentioned the areas in which the internal market needs to be perfected. The same applies to monetary union, where the coordination of economic policies needs to be strengthened. The dialogue between the economic area and the monetary area must be structured and organised more effectively. The external representation of the single currency and the euro zone must be more powerful in order to give us more influence in the major monetary and economic choices of the economic triad and over and above economic and monetary universality.

I should like us to begin to entertain other dreams, something which we have become rather incapable of doing. I believe that young people who are not interested in Europe, who are turning their backs on Europe, who do not really like Europe and do not see what Europe can do for them … unless we closed the borders for six months, which we should do one day to revive this feeling of being shut off. I lived through the period when we spent an hour and a half at border checkpoints if we went to Trier or to Athus or to Arlon. We should briefly reintroduce border checkpoints, especially for the people of Lorraine, who mostly voted 'No' in the referendum, so that they can experience the pleasure of barriers at border checkpoints. I think that, if we want to revive the appetite of European people for Europe, then we need to talk to them about serious issues.

Climate change is a European problem. A common energy policy and, especially, the external dimension of the energy policy: there can be no modern diplomacy without an energy element since, otherwise, 20 years from now, we shall be lost in terms of energy. The ambitions which must be fostered by Europe in terms of the common foreign and security policy need to be promoted more effectively. We need to take an interest in others' problems. We sometimes — very often — have this idea of Europe that the European project was made for Europe and that we have actually accomplished all that we set out to do. But Europe is a project for the world. I have never seen the application of the European project as being limited to Europe alone! The fight for democracy, the fight for human rights, the fight for private and public freedoms is a universal fight which Europe must promote actively and energetically throughout the world. We are not interested, not at all, in the vital problems of others.

Take Africa as an example. We say in our poems that the African people are our cousins! What is Europe doing for Africa? I wouldn't say nothing, but certainly not enough. It is true that the European Union itself accounts for roughly 56 % of all the public funds which are invested — because it is a real investment — in cooperation aid. But we fall far short of the mark. There are five countries across the world which allocate more than 0.7 % of their gross domestic product, their national wealth, to cooperation policies. They are all small countries: Norway, Denmark, Sweden, the Netherlands and Luxembourg. These are the countries which I always call the G0.7, whereas in the G7, meetings which I attend as President of the Eurogroup — which is no small achievement for a Luxembourg Finance Minister, to be there with the world's major decision-makers — no one, no one allocates even half of the sums that these small countries contribute. That is a very sad expression of cooperation aid.

With 25 000 children dying every day from famine and malnutrition, Europe still has a long way to go. It is a European problem. The population of Africa today is 900 million. In 30 or 40 years, it will have risen to 1.5 billion, half aged under 25. Is this a problem which should not interest us? Of course not! A major European plan is aimed at eradicating, during the first 30 years of the century which has just begun, poverty, malnutrition, the unfair death of those who have never had a chance and who do not have a glimmer of hope except that which is represented by Europe, because the African people know that the only ones on their side, if they really want to be, and they want to be if they can be and they can be if they want to be, are the

Europeans.

So, in this Constitutional Treaty, which outlines not only a mode of government for the European Union but also a level of ambition for the European Union, we must stand firm when faced with the difficulty of the task. I often read that the choice is between the first and second or the third part, because it is said that the 44 % of Luxembourg people who voted 'No' did not see what they could gain from the third part. The French and Dutch people apparently did not like this third part. But they did not read this third part! Those who, today, tell us that we can forget this third part have not read this third part! This third part, of course, reflects the policies as they are, acquired European law, but it also adds dimensions which need to be added to the existing structure. In this third part, we find a legal basis for the energy policy. In this third part, we find all the legal bases that we need in terms of justice and home affairs, including the elimination of the three pillars which, today, cause such problems for the rapidity of the decision-making process. In this third part, we find the elements which will enable us to take decisions in the future by a qualified majority in areas where unanimous decision-making currently still applies. So the choice is not between the first, second and third parts, the choice is between the major balances which run through the three parts of the Constitutional Treaty which was submitted for ratification. The first part concerns the judiciously organised arrangement of the institutions, the second part concerns the Charter of Fundamental Rights, and the third concerns the former policies set out in their new mode of expression and in review.

I am amazed to see the calm attitude of philosophers, writers, sculptors, painters and film makers when, without a single comment being made, the area which people would now eliminate in a new major treaty is considered […], the second part which concerns the Charter of Fundamental Rights. It is incredible that we have the arrogance, the condescension to explain to the entire planet how it should operate, how the problems in each region of Africa and Asia should be settled, and that we are today ready to abandon the Charter of Fundamental Rights on which the people of Europe reached agreement! The series, the canon of essential, vital rules for Europe, which express to the whole world the essence of the European model. Some people say: 'Well, we didn't like the third part, why should we bother people with the second part? Let's try to get rid of the first part, without asking the peoples of Europe for their opinion.' No! This is not acceptable, this unwillingness to emphasise real European progress. This Charter of Fundamental Rights, which may be tried, pleaded and invoked before European and national courts, is the result of European negotiations which I do not agree that we should write off because we do not like difficult debates.

I believe that the new compromise, which I know will not be an exact rewriting of the treaty as it stands, but which must be a major treaty, must be the sum of the balances achieved in the first, second and third parts. Otherwise, we shall not reach agreement. I shall take the example of Luxembourg, which is always a bad example, but at least we understand it. In this first part, we have given up the right always to have a Commissioner. The Luxembourg people do not particularly like this, because they would very much like to have a Luxembourger in the Commission, for obscure reasons, but for reasons of national dignity, because we want to be treated as grown-ups. It is as simple as that. Now, we are abandoning this right, along with all the other countries in Europe. Why is this so? Because, in the third part, we secure codecision in terms of foreign policy, codecision in terms of policy on freedom, security and justice, and because we know that, by our own efforts, we shall never be a credible player in the eyes of those who will supply our energy in the future, but that we shall be taken seriously together with all the other Europeans. We are therefore able to relinquish a right that we have enjoyed since 1952, when the European Coal and Steel Community was established, because we gain in terms of increased sovereignty — by abandoning a false, artificial sovereignty — a plus which will be remarkable when this sovereignty, collectively organised and united, is implemented in accordance with the new rules of the proposed treaty. Imposing new rules on the small and medium-sized Member States regarding the composition of the Commission, new rules regarding the qualified majority required for decisions taken by a qualified majority in the Council and by codecision in Parliament, while refusing to grant them the numerous qualitative benefits included in the third part of the treaty, is therefore deceptive. Negotiations at which I shall never cease to be amazed. It is extremely naïve to think that we can have a mini-treaty which is limited to reorganising the European institutional architecture.

So the game is not yet over, it is not straightforward, and it is not settled. After this period of reflection, which began as a real institutional snooze but which has now given rise to a host of proposals, most of

which are strictly incompatible with each other, we must now concentrate on the essential.

I would say, citing Spinoza — just to please you — that we should not shy away from difficulties, because excellent things are as difficult as they are rare. Europe is an excellent thing, and it is accordingly rare and difficult.

Thank you.