

SPEECH

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"The Political Future of Europe"

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At the London School of Economics

CHECK AGAINST DELIVERY

Ladies and Gentlemen,

Dear Students,

I am very pleased and honoured to address this audience tonight.

I know that the reputation of your school makes it one of the best, or perhaps even the best one in Europe.

I have no experience of it, because, even though I went through several highly-rated institutions, I never attended a course here.

So, I got this impression by hearsay. Let's say by family hearsay.

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I am supposed this evening to speak about the political future of Europe.

I will not express myself as a Frenchman, to avoid some forms of prejudice.

I will speak as a European, which I became after touring the European cities during the two years of the Convention, that will lay me open, I am afraid, to a worse sort of prejudice!

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If there is something that Europe will never suffer from, it is a lack of speeches.

Europe, while sometimes deprived of snow or water, is flooded by an extravagant flow of lectures.

These lectures can be classified in two groups:

The first group is composed of speakers proposing what the Union of Europe should become, what the goals of the European Union really are.

The second group includes the lecturers who explain why these goals are impossible to reach, giving the arguments for this impossibility.

What is really fascinating is the way some people make speeches falling successively into the two groups, taking the precaution of leaving a suitable amount of time between them.

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To avoid adding to this monumental flood, I will try tonight to limit myself to some simple observations, and to very few recommendations.

1. The first observation is that there are certainly some good arguments in favour of a European political Union. They can be disputed, but it is difficult to ignore them.

These arguments have evolved with time.

At the beginning it was to put an end to the bloody folly of the wars which last century twice devastated Europe.

And now, it is to adjust us to the scale of the new world. This new world is composed of countries, or groups of countries, which have a continental dimension. Europe remains, except for Central America, the most divided continent. To put it simply, the contemporary argument for the political union of Europe, is that, when divided, we are too small, whatever our claims, to influence the future course of the world.

2. Second point: this “continent building” is a historical process. It cannot be analysed or conducted with short-term evaluation. The timescale for “continent building” is more one of generations or decades than of years, or even less, six-month periods. The present twice-yearly rotation of the Presidency is totally inadequate for building a strong political union of Europe.

Are the British people aware that, under the existing rules, Britain will not exercise the presidency again for another thirteen years?

3. Thirdly, the European debate puts on stage not only two groups of actors, the governments of the Nation States, and the European Union, but three groups: the people of Europe, the governments of the Nation States, and the European Union itself. There are the governments which interpret the point of view of the people, but frequently put their own slant on it.

For instance, who tells the British people that 15 countries out of 25 – that is 60 percent – have already ratified the Constitutional Treaty?

And in France, the government and, alas!, most of the political leaders, interpret the “no” in the referendum of last May, as a “no” to Europe, although the political leadership of France at that time had a much lower rating than the Constitutional Treaty itself, and probably received a broader slice of the “no” vote than Europe did!

Also, when public opinion is dissatisfied about something, national governments are quick to put the blame on Europe, even when Europe has no competence to address the issue.

4. The political Union of Europe is not a circle, periodically coming back to the same starting point. It is a trajectory, leading from a starting point to a final goal.

This trajectory may take time, may face new obstacles, but it is a waste of time and energy to keep on reopening the initial debate.

The ultimate goal of the political union is to give Europe the institutional framework which will enable it to carry out common policies at European level. There is a specific example in article B of the 1991 Treaty on European Union, which Britain signed:

"The Union shall set itself the following objectives: (...) to assert its identity on the international scene, in particular through the implementation of a common foreign and security policy including the eventual framing of a common defence policy, which might in time lead to a common defence."

It is no longer a matter of debating what we want to do, but of determining how to do it. We must move from the "what" to the "how".

The brilliant British Prime Minister was moving away from the intentions of the founding fathers when he said:

"The vision is the one I share with Europe's founders: an ever closer union of nation states, cooperating, as of sovereign right, where it is in their interest to do so".

"Cooperating, as of sovereign right, where it is in their national interest" would be a backwards step.

The founding declaration of 9 May 1950 talks of "the realization of the first concrete foundation of a European federation". The vocabulary has changed, to address a British concern, but the goal is still the same: the "first stage of Europe's political Union".

The aim is no longer for cooperation, but to establish a common organization with the institutions necessary to implement common policies, in the spheres in which these have been decided.

5. My final observation is that no one is compelled to be part of Europe's political Union!

Every country which has joined the European Union has done so at its own request! Often an insistent one.

None of us criticize Norway and Switzerland for not belonging to the European Union.

No one, on the European continent, criticizes Britain, Sweden or Denmark for not adopting the euro!

To underline this freedom of choice, we deliberately included in the Treaty an article 60, which provides, for every member State, the possibility of voluntarily withdrawing from the EU.

The political Union remains a choice, but if this choice is made, it must be effective.

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I should now like to talk about the path which the Constitutional Treaty has taken.

This Treaty was born of a request, even a genuine order.

It wasn't drawn up on the spur of the moment. The European Convention was established in December 2001, already four years ago, by the Laeken European Council, on which sat all the heads of State and government!

The Council ordered the Convention to come up with a proposed reform, which had become essential because of the defective operation of the European system. What is known as the "Laeken Declaration" lists all the faults to be corrected: the delimitation of the powers between the EU and its member States, simplification of the rules and procedures, respect for the subsidiarity principle and the role of national parliaments.

We dealt with all these points with the Convention members drawn from the 25 member States. It was a painstaking and collective effort. Tony Blair was good enough to mention my "brilliance" in negotiating the solution. But it was a kind remark because he was giving his speech on my birthday! My role was more one of diligence, assisted by

the outstanding Lord Kerr, the Convention's Secretary-General, in presenting on schedule our draft, which I took to the Thessaloniki European Council, on 20 June 2003. The Council described it as "a good starting basis".

The text was subsequently negotiated and revised over a period of 12 months, through discussion between the governments, first under Italian then Irish presidency. So the negotiation and revision have already taken place.

And the European Council finally adopted the draft unanimously on 18 June 2004.

Shortly before then, on 20 April of that year, the British Prime Minister had announced in the House of Commons that the British people would decide on the Constitutional Treaty by referendum: "it is time to resolve once and for all whether this country, Britain, wants to be at the centre and heart of European decision-making or not".

The fact that he was thus embarking on the procedure for ratifying by referendum certainly showed that he intended actively

defending the text, deemed in conformity with Britain's interests. In his view, it was balanced and did not cross any of the red lines set out by the British delegation!

Britain would, we thought, be the last to decide whether or not to ratify after she had held her General Election. Since the "no" vote of the French, things need to be clarified.

The ratification process began satisfactorily: in Spain, the first country to hold a referendum, the Treaty was approved by a majority of over 70 percent. Other ratifications followed, in Western and Eastern Europe, in Germany, Hungary, Austria, Italy and in the Baltic countries.

But the progress of the Constitutional Treaty was called into question by two events:

- the "no" votes of the French and Dutch electors and
- the return of the British uncertainties.

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Let's be clear about this: the rejection of the Constitutional Treaty in France was a mistake, which will have to be corrected. Was the mistake due to the over-complicated presentation of the draft, or the choice of a referendum at a time when politicians were highly unpopular? It doesn't much matter. Everyone has accepted the democratic verdict, whatever their regrets. But the main victim has been a Treaty, which, according to the opinion polls, the French were not against.

At a time when second chances are the order of the day, the Constitutional Treaty will have to be given its second chance.

When? When France has completed her great electoral debate, with the presidential and parliamentary elections which are due to be held 14 months' time, in spring 2007.

How? By refocusing the debate on the only genuinely constitutional parts, that is to say, the first part, and the Charter of Fundamental Rights demanded by the European Left, neither of which have given rise to much protest. Then the third part could follow a parliamentary route, which is far better suited to its legal nature.

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The return of the British uncertainties is more complex and takes us into the realm of contradictions.

The new line heard in the European debate makes me think of the famous Gorgias and his sophisms:

"the defective functioning of the European institutions produces bad results.

European citizens don't like Europe because of its bad results.

Let's get Europe loved by its citizens, so that they agree to reform its institutions."

Everyone senses that this is a dead end. Since the Prime Minister recently and correctly added: "A European Union of 25 cannot function properly with today's rules of governance. Having spent 6 months as EU President, I am a good witness to that!"

So if we wait for the Europeans to love Europe before we can reform its institutions, we shall stay for a long time with an ungovernable system.

So let's try and get back to the trajectory of reform! Let's reform what has to be reformed in the Constitutional Treaty.

So that we can get better results, give greater satisfaction to the European public. So here we get back to the ideas of James Madison: the role of Constitutions isn't to decide the outcome of debates, but to establish institutions which enable debates to take place efficiently and democratically".

And then Gorgias' sophism becomes:

Europe's institutions are producing bad results.

Europeans don't like Europe because of its bad results.

Let's reform the institutions so that Europeans can love Europe!

We should seize on one encouraging development: the determination of three founding States, Germany, Belgium and Luxembourg, and also the Austrian Presidency to complete the process of approving the Constitutional Treaty.

The two major parties in the German Government coalition, the CDU-CSU and the SPD, have included this in their agreement for the Grand Coalition:

"We support the Treaty establishing a Constitution for Europe. It contains some important progress.

We will commit ourselves firmly in favour of pressing for a continuation of the process of ratifying this treaty during the first half of 2006, and inject new impetus into it during our Presidency in 2007".

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Let me emphasize one point, which seems to me fundamental for Britain.

The political Union we are proposing rests on the principle of attribution of powers. This is an essential point and I am amazed it isn't more often picked up on! The EU can exercise only those powers which member States attribute to it! It's an essential safeguard for Britain, as in fact it is for France and all our partners.

This attribution principle could even provide a way for countries wishing to opt out of certain attributed powers. This is what we decided, and I well remember this, regarding Monetary Union. Britain is part of the European Monetary system, but benefits from an opt out regarding the adoption of the euro. The system would become more complicated, but I think it would remain manageable.

This attribution principle prevents us ending up with a situation no one wants, of a European power omnipresent in every social and cultural aspect of our daily lives.

We want:

A political Union to safeguard more effectively our identity and role in tomorrow's world.

A political Union to manage jointly what we no longer have the means to manage on our own.

And for the rest, let's safeguard our long history which will continue, with due regard for our motto: "United in diversity".

The adoption of the Constitutional Treaty will not be enough to complete Europe's political Union. A great deal will still have to be done. Four tasks are urgent:

- to finalize a mechanism for selecting and proposing candidates for top EU posts. Admittedly, the Council will elect them, but the election should be preceded by a search, and a profile of candidates. Then the Council would choose between these candidates, instead of confining themselves to choosing one of their number.

- organize the way 25- or 27-member Councils should work. As things stand at the moment, they can neither discuss, nor decide. How should they be structured: by rotating vice-presidents or by a bureau ?

- prepare for the creation of a foreign policy think-tank to work under the European Foreign Minister and ensure it liaises with national foreign ministries.

- carefully prepare a realistic timetable and binding commitments with a view to establishing the European political Union, and possible future enlargements, bringing in States located on the European continent.

Yes, there will be lots to do to build the political Union! We'll need you!

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Dear Students,

I'd like to conclude by addressing some remarks more specifically to you.

Nothing of great value has ever been built without enthusiasm!

The political Union of Europe is not an arrangement, or a wheeze, conceived for the benefit of a few insiders.

It's a great task which needs popular support, the support of each and every one of you!

I'm not asking you to be less British, less French, less Dutch, less German, Italian or Spanish.

I'm asking you to feel more European, to fill your lungs with oxygen, as we do when we are in the mountains, to feel more alert, livelier, bolder. You will see the world from a higher vantage point.

I urge you to have confidence in Europe's political future, far from the sniggering of the sceptics, because that way you will bring greatness into your lives.

Thank you./.

V. Giscard d'Estaing