



*the european convention*

THE PRESIDENT

**SPEECH ELEMENTS BY**

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People, states or continents face, at certain times in their history, crucial decisions. They stand at crossroads. When they rise to the challenge, they make history. When they don't, they miss an opportunity which may not necessarily recur.

The Philadelphia Convention, in 1787, was such a determining moment in American history. The 13 newly independent founding states of the United States of America were economically weak, internally divided, only 4 million strong, and still exposed to external threats. The success of their Convention was by no means guaranteed. Could they have foreseen that the United States they created would come to play a major role - let alone the dominant role - in world affairs? Could they have foreseen that their personal triumph would still evoke admiration across the world, that "Founding Brothers" or David Maculloch's great biography of Adams would still today fascinate scholars and statesmen alike, and not only in America?

Today, the European Union is also at a major crossroads in its history. It has already made tremendous strides. Western Europe has enjoyed an unprecedented half-century of peace and relative prosperity. These results have been achieved by an extraordinary innovative event, which was the Franco-German reconciliation, after three bloody wars in seventy-five years, and Western Europe knows it owes peace and prosperity to the bonds forged by European integration. The Single

Market is an emerging reality. The latest achievement, the introduction of the common currency, the Euro, greeted by the international community, let us recognize it, with widespread skepticism, is a success. New coins and notes are, since the beginning of 2002, in the hands of most of European citizens. And the rate of exchange, vis à vis the dollar, after a period of weakness, is now above parity.

Nevertheless, and partly as the result of its success, the European Union now stands at a crossroads, not wholly unlike that of Philadelphia 1787.

It faces a triple challenge:

- i) First, the Union is about to complete the most important enlargement of its history. Ten new member States from Central and Eastern Europe will have joined the European Union by the spring of 2004.

At last - after decades of confrontation and war, after the fall of the Berlin wall, after the implosion of the Soviet Union, after the explosion of democratic freedom in the former Warsaw Pact, Europe has, for the first time in history, the opportunity to unite in peace.

Unification by force of arms has often been attempted, and always, inevitably, failed. But unification by consent, by the free will of states and peoples, will be the basis of Europe's political and economic future.

- ii) Second, in a rapidly changing, evermore globalised world, the Union has to define the role it wishes to play on the international scene in coming decades.

In economic terms, Europe already is an important global player: the joint GDP of the 15 European Union Member States, at some 9 thousand billion USD, is close to that of the US. But politically, today's Europe is weak, too weak to be an effective ally, too divided to match words with deeds in effective global defence of its values and principles: human dignity, human rights, tolerance and respect for international law. I shall argue today that a stronger more united Europe would be a much more valuable and trustworthy partner for the United States of America with which it would be possible to have a better organised, and a more productive dialogue on global strategic issues.

- iii) Finally, decision-making in the European Union has, over the last decade, become much too complex, and obscure.

Governments and people don't sufficiently understand, or trust, the processes. And they don't work well. The machinery was designed for an economic community of six Member States. Today, our task is to organise a political union of 25 Member States, and more than 450 million people. It will have to be able in coming years to make rapid decisions on a broad range of issues on which the Member States will be better able to advance the interests of their citizens by acting together. Of course we must, and shall, respect the

centuries-old history of the European states, their cultural and linguistic diversity. But the process of their joint decision-making has to be simpler, more effective, better understood, and more democratically legitimate.

Of course, to compare the situation of the European Union at the beginning of the 21st century with the situation the Founding Fathers faced at the end of the 18th century is facile and misleading. Our aims are not as grand as theirs: we are not building a nation. But in some ways our task is trickier, because we are a Europe of many nations, and with strikingly disparate dimensions, territorial and demographic, wealth, and living standards.

Consider the following facts:

- In the future European Union of 25 Member States, the most populated Member State is more populated than the most populated State of the USA, and the smallest is less populated than the least populated State of the USA.
- The six biggest Member States, each with more than 40 million inhabitants - Germany, France, the United Kingdom, Italy, Spain and Poland - will account for 74% of the European population, and 85% of its GNP, which means, in democratic terms, a large majority.

- Eight more Member States, with between 8 and 16 million inhabitants, will together represent 19% of the European population. I refer to the Netherlands, Greece, Portugal, Belgium, the Czech Republic, Hungary, Sweden and Austria.
- The eleven remaining Member States - Slovakia, Denmark, Finland, Ireland, Lithuania, Latvia, Slovenia, Estonia, Cyprus, Luxembourg and Malta - will account for only 7% of the population.

So it is not easy to find the right balance between two major demands:

- equality between citizens, in accordance with the fundamental democratic principle of one man, one vote; and
- equality of rights between Member States - and, remember, these are nation-states, proud of their history and their independence, whether long-standing or newly regained.
- At this moment, all European Member States - large or small - will appoint one member of the European Commission, which is in charge of defining the Common European interest.

This difficulty brings us back to the basic question of the nature of the Union.

- Is the European Union a federation, or at least developing into a federation?
- Or is the European Union a confederation of Member States, and likely to remain such?

The issue is one which arose here too, and tragically was not finally settled in 1787. It took a terrible Civil War to settle it.

I don't think we will finally settle it for Europe in our Convention. But let me quickly add that nor do I predict a civil war. Or, to be fully honest, we have all these terrible civil wars behind us!

There is a paradox worth noting.

The creation of a Federation has, wherever undertaken in the past, as for example in the US, started with the pooling of certain key aspects of sovereignty: foreign policy and defence; justice at federal level; and the financing of them through a federal budget financed by federal taxes. Such federal powers are given to a strong central executive, democratically elected on the basis of one man, one vote. The Member States, responsible for all remaining areas of public life, tend to be represented at the centre in a Senate, where - as here - all States, whatever their

population disparities, have equal weight.

Alexis de Tocqueville wrote in "Democracy in America", "*The first question which awaited the Americans was so to divide the sovereignty that each of the different states which composed the Union should continue to govern itself in all that concerned its internal prosperity, while the entire nation, represented by the Union, should continue to form a compact body and to provide for all general exigencies*". A correct description of the classical approach.

The development of the European Union follows almost exactly the opposite approach. European Member States have continued to exercise the classical sovereign powers in foreign policy and defence, while the Union was empowered to work for economic integration, first with a common market and now with the introduction of a common currency, but still with no sign of a common fiscal system.

When we look at it from this angle, from the angle of Powers not the angle of Institutions, it is evident that the Union is - and will remain for some time to come - a mixed system. Europe's answer to the question "federation" or "confederation"? is the acknowledgement that the Union is a unique construct, which borrows from both models. The Convention will not change that answer: rather it will formalise it in Constitutional provisions.



The first article of the current draft of our Constitution will describe this very specific nature of the Union in the following way:

*"Article 1: Establishment of the Union*

*1. Reflecting the will of the peoples and the States of Europe to build a common future, this Constitution establishes a Union, within which the policies of the Member States shall be coordinated, and which shall administer certain common competences on a federal basis."*

In this system, the three components of our unique institutional triangle - the Council of Ministers, which represents the contribution of Member States to the building of the Union, the European Parliament, where the whole population must be represented on an equal basis, and the European Commission, which expresses and proposes the common interest of the Union - all need to be improved to meet the challenges of the Union's Enlargement and its additional tasks.

And this is not a zero sum game. We are not talking about a hierarchy, about the subordination of one institution to another: we are talking about keeping a balance.

What then is our aim?

We need a constitution which:

- makes decision-making simpler, while maintaining institutional balance;
- weaves together the intergovernmental and the federal strands, suppressing neither;
- pulls the different treaties into a single coherent text, transparent and readable, so that people can better understand, and better identify with, their Union.

We have much to learn from the clear prose which flowed from the Philadelphia pens.

We have now entered the final crucial stage of our work. After listening to each other for a year, we have started to write the first articles of the Constitution, on the nature of the Union, its values, its objectives, Union citizenship, fundamental rights, and the definition of Union powers. We just proposed the sixteen first articles of the Constitution. Another group will be edited at the end of the month.

We will then be addressing the issue of creating a Minister of Foreign Affairs for Europe, and replacing the rotating Presidency of the Council - which would have led to twenty different Presidents in the next ten years! - by a unique and stable elected President.

Seeking consensus and compromise, consistent with clarity, among representatives from 28 countries, and doing so - rightly - in public, under well-informed scrutiny in all these countries, isn't easy. We shall have difficult political choices to make.

And consensus in the Convention isn't enough, because, in addition, the Constitution we produce must broadly correspond to the expectations of the political leaders of Europe, who will have the last word on our proposals, and also to the wishes and hopes of the people of Europe to which we hold our final accountability! The future Constitution will then be submitted to the Member States for ratification.

No, it isn't easy; but I am confident that we can succeed.

I am also confident that our success would be, will be, also in the interest of the United States, and of good transatlantic relations. America needs, and deserves, a strong ally and partner, capable of producing coherent views, and to back its words with deeds. Europe and the United States will not always agree. But we have much in common, not least the values which inspired the Founding Fathers. And we shall advance and defend them the better, the stronger the European side of our transatlantic dialogue.

Hardly an original thought: President Kennedy encapsulated it brilliantly 40 years ago at a time when America was making the world dream, when also in Philadelphia, in Independence Hall, on the Fourth of July, he said:

*".....The nations of Western Europe, long divided by feuds far more bitter than any which existed among the 13 colonies, are today joining together, seeking, as our forefathers sought, to find freedom in diversity and strength in unity.... The United States looks on this vast new enterprise with hope and admiration. We do not regard a strong and united Europe as a rival but as a partner. But I will say here and now, on this Day of Independence, that the United States will be ready for a Declaration of Interdependence, that we will be prepared to discuss with a united Europe the ways and means of forming a concrete Atlantic partnership, a mutually beneficial partnership between the new union now emerging in Europe and the old American Union founded here 175 years ago."*

What's old? What's new? But let us not resort to semantics, and even less, to polemics; let the dialogue be one of substance, with each side listening to, and neither lecturing, the other; let us be true to Kennedy's vision.

I believe that he would have wished for the success of the current European Convention. I hope today's America does so too. It may not be - it is not - a 1787, but simply a 2003! But it has real significance, and bears some hope for Europeans, and for Americans.

Thank you.

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