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**Sperrfrist: Redebeginn.
Es gilt das gesprochene Wort.**

Die Europa-Rede

„A CURTAIN WENT UP“ – “EIN VORHANG GING AUF“

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Ladies and Gentlemen,

It is an honour to be addressing you at this place and time.

Above all because I am the first politician you have invited to give the annual "Europe Address".

And then because it is my privilege to do so in the Pergamon Museum, and on 9 November.

This place and that date are linked to so much history! There is a sense of powerful and ancient forces driving us in two directions

The Gods of Olympus before and behind us, 2300 years old, take us to Greek civilization and Pergamon with its temples, fountains, libraries and theatres. For someone who was schooled in the Classics, to be standing here is a proud moment indeed!

What is more, today is 9 November, a day of such exceptional significance in 20th-century German history. With its times of darkness but also of course with the joy of the fall of the Berlin Wall, so close to where we stand.

The "Wall of Shame", the very antithesis of the legacy of Greece: democracy.

At school I learned of Pericles' famous formulation of democracy in which "the affairs of State are not the privilege of the few but the right of the many".

That too is why I cannot remain unmoved by today's date.

Ladies and Gentlemen,

A well-known German philosopher, Peter Sloterdijk, said thirteen years ago - and I quote:

*"Were it possible for nations as a whole to suffer nervous breakdowns - in the case of Germany the only date on which that could occur would be 9 November. With a regularity which resembles a nervous tick, since 1918 for nearly a century this is the date on which the Germans have assembled to answer to history, for both good and evil."*¹

What a series of events.

1918: the end of the First World War.

1938: the Kristallnacht, the start of a nightmare.

1989: the end of the Cold War, the commencement of a reunited Germany.

¹ Peter Sloterdijk, 'Der starke Grund, zusammen zu sein', *Die Zeit*, 2 Jan. 2008.

For me, 9 November is perhaps the most important turning point, not just in the history of Germany but also in Europe's most recent history. It has made Berlin a European city.

(I hope you will forgive me if I now continue my address in English.)

Ladies and Gentlemen,

The Fall of the Berlin Wall, 21 years ago.

Some of you were there, on one or the other side.

Some of you even not yet born.

I myself was then chairman of my party. I remember a few months after the fall of the Berlin Wall that we, with the Christian Democrat prime ministers of Italy and the Benelux countries, met in Salzburg with Chancellor Kohl to speak about German reunification. I felt in that very small group, up in the mountains, that history was present.

Before 1989, I had not seen this side of the Wall first hand.

When I was about fifteen or sixteen years old, a teacher recommended me to read Karl Marx. At our Catholic school this could be seen as strange advice, but the teacher said: "You will not become a Marxist anyway!" He was right... For me, communism was a denial of European values. So when I arrived at the University – shortly before May '68 – I was already immune to all Marxist and other 'revolutionary' movements. Ever since, my anticommunist convictions have remained strong.

That's why the events of 9 November marked for me, like for all of us, the end of an era of destructive ideologies. This story is often told, and must continue to be told.

However, the fall of Wall not only marked an end (to communism), it also was a new beginning. And that's why we are here tonight.

The fall of the Berlin Wall created a movement in and for Europe.

Our divided, frozen continent was set in motion, a desire for freedom gripped millions of people. It first hit everyone on the Eastern side of the Iron Curtain; the Curtain, which, according to Churchill, would run "from Stettin to Trieste". They could shake off the tyranny and discover the great wind of liberty. However, people on the West side were also touched. So the "wind of change" not only blew "from Stettin to Trieste" but also from Cork to Capri, and from Stockholm to Sevilla.

Before 1989, the European Community mostly stood for economic integration -- the internal market on its way, Schengen "noch in den Kinderschuhen" -- but now new impulses were given to our common adventure.

Through the 9th of November, the European Union became what it is now, and from this event we must also understand how to act today.

Before 1989, all Europe was, figuratively, behind a curtain!

The world map only contained East and West in our minds.

There was no role for Europe itself on the Cold War's conceptual globe.

Only when the Curtain went up in 1989, did old Europe come from the wings and enter onto the world stage, aus den Kulissen auf das Podium. Step by step.

- Filling its own space.
- Strengthening its internal bonds.
- Finding its own voice.

These are the three European lines which I should like to illustrate tonight: our space, our strength, our voice.

II.

The day after the Wall came down, Willy Brandt spoke the famous words: 'Jetzt wächst zusammen, was zusammengehört.' Today grows together, what belongs together.

Although he spoke about Germany, it is true of Europe too.

We also 'grew' together.

There was no plan, but it wasn't an accident of history either.

The movement came from the people, grass roots up -- beginning with stirrings of freedom in Poland, in Hungary, in Czechoslovakia.

What started as a flight from tyranny, evolved into the freedom of movement. Salesmen and students, traders and tourists, men and women from East and West: all started to seize opportunities across borders, as soon as the Wall came down. Today, after the entry of ten Central and Eastern European states into the EU these flows of freedom have been secured. It is more than an element of an economic Union. A space of freedom and rule of law, for restless travellers and sedentary citizens alike: it is a sign of civilization.

Enlargement is not just a bureaucratic process from Brussels, it is about getting to terms with the events since 1989. In opening itself to new Members, the Union has maybe not done the 'zusammenwachsen', but it has done something as essential: sealing the fact that we Europeans 'gehören zusammen'.
That we are one Union.

This chapter of the Union's history is not complete yet.

In the first ten months of my mandate, I have visited seven countries of the Western Balkans, in order to confirm their European perspective.

Their desire to join our club follows a time of barbarism and violence, which all of us had thought to be impossible in Europe after 1945.

This should encourage us even further to welcome them.

Why?

Because almost all who are now part of Europe have experienced great upheavals within living memory.

It is true for Germany, France and the other founders after the destruction of the Second World War.

It is true for Greece, Spain and Portugal after the end of their dictatorships.

It is true for the former communist countries which joined us after the Wall came down.

In every enlargement, the Union has absorbed the shocks.

As an anchor of stability.

As a haven of prosperity and freedom.

As a guarantee of peace.

The entry of the Western-Balkans into the Union will seal an end to the last civil war in long history of Europe -- no more, no less.

So to those who say that war is so far away in our past that peace cannot be a key issue in Europe anymore, that it does not appeal to the younger generations, I answer: just go out there and ask the people there! And ask the young ones too!

(The kids will explain to you that they cannot play football on the nearest field, because it is still full of mines...)

Achieving this goal will require political courage, on both sides. The idea of accession is not popular in all the current Member States. Of course candidate Members have to fulfil all the conditions and have to break completely with their past of civil wars.

Pro-European governments and parties should not lose enthusiasm.

Citizens who strive for peace and reconciliation, should not lose hope.

The countries of the region deserve our help to fulfil their European destiny.

Why do these accession movements also lift the Curtain from Europe as a whole?

Just consider the two different meanings of 'Europe': on the one hand our beautiful continent, our rich culture, on the other hand the political object called EU.

The geographical and cultural Europe, versus the political 'E-U rope'.

And now see what happens over time.

When back in the 1950s only six countries grouped together and called themselves 'Europe', this was maybe a bit pretentious, or rather: an allusion to the future. However, this original promise is now coming true!

Thanks to the successive enlargements, the European Union grows into the political expression of our continent.

After 1989, we start to resemble ourselves, our clothes finally fit us.

When we speak about Europe as the continent of values [and I know that the Bundeskanzlerin is a strong advocate of this idea], then today it is true

not for just a small part of Europe,

not for the half of Europe,

no, today it is true for the continent as a whole!

It gives us credibility.

Ladies & Gentlemen,

All our countries have to deal with a new diversity.

The time of the homogenous nation-state is over.

Each European country has to be open for different cultures. However, we only have one civilization: of democracy, of individual rights, of the rule of law.

Alongside diversity -- and diversity is certainly a strength of our societies --, we still need, in each of our societies, a sense of unity, of belonging together. This sense of unity can lie in shared values; or in a language, a shared history, a will to live together (as Ernest Renan said). And this will springs above all from the stories which we tell each other.

Think of the ancient Greeks: the stories of Homer created bonds throughout the centuries. They have us spell-bound tonight.

It can be stories of war and peace, of Olympic exploits or saint-like sacrifice, of a Prison stormed or a Wall which came down.

Such stories do what a treatise on 'values' cannot achieve: they embody 'virtues' in an understandable way, virtues shown by men and women in real situations. Courage, respect, responsibility, tolerance, a sense of the common good.

To keep such European virtues alive, to transmit their age-old qualities to our children and grandchildren, that will be one of the great challenges for the future.

We have to be a Union of values but also a Union of civic virtues, 'eine Wertegemeinschaft genauso wie eine Union der Zivilcourage'.

III.

Ladies and Gentlemen,

I should like to come to the second theme of our European story as it started when that Curtain went up.

I am talking about the euro: the great bringer of unity and stability.

Just imagine the big recession of 2008-2009 with the old currencies. It would have resulted in a currency turmoil and the end of the single market! A currency war always ends in protectionism.

This spring, at the height of the public debt crisis, you said, Frau Bundeskanzlerin: -'Scheitert der Euro, dann scheitert Europa.' If the euro fails, then Europe will fail.

These words marked people's minds.

You thus highlighted the wisdom behind the creation of single currency. This insight was: when we make a currency, we are building Europe.

After the Wall came down, in a moment of potential conflict between the new Germany and her partners, the statesmen of 1989 – Helmut Kohl, François Mitterrand, Jacques Delors and the others –, they seized the anchor of Europe and accelerated the plans for a single currency. It was the great achievement of the Maastricht Treaty.

Ever since, the fate of Europe and the euro have been intertwined.

The euro is the most visible and the most palpable sign of our common destiny. It is also our most powerful tool.

Sharing a currency means that the decisions of one, affect all.

We have seen how! This spring, the crisis of a country of 10 million people became the crisis of 350 million people; early May, it even turned into a global threat.

What happens with pensions or debt in one country, affects the banks and taxpayers in another country. In good times and in bad times. What hurts Athens damages Amsterdam; and if Barcelona flourishes, Berlin prospers. The national and the European interest can no longer be separated; they coincide.

Until one year ago, all this was just knowledge – theoretical.

In the spring crisis, it became an experience – unforgettable.

Today, we have to act upon the fact – responsibly.

That's why two weeks ago the European Council took important decisions: we sealed a solid pact to strengthen the euro.

Our decisions -- and I am thinking in particular about the recommendations of my Task Force on economic governance -- make sure that every Member State feels and understands that its decisions affect all the others and the Union as a whole. One cannot maintain a monetary unity without an economic union.

I am very satisfied that the European Council of 29 October endorsed the end result of the Task Force. It is a huge leap forward.

Let me mention the three crucial points.

First of all: We will better observe the economies of our countries, their competitiveness, the risks of housing bubbles and other vulnerabilities. We will act and correct if necessary.

It is a real innovation!

If we had had this instrument in the euro's first decade, a crisis in the Eurozone could well have been prevented.

Second point: we will strengthen the Stability and Growth Pact, to substantially increase fiscal responsibility and penalise irresponsibility. Sanctions will kick in earlier, on more grounds, and be decided more easily. Some people are disappointed there is not more "automaticity" in the decision-making. Well, thanks to the new so-called reversed majority, more "automaticity" is exactly what we propose!

It is a break-through.

Third point: we will establish 'a permanent crisis mechanism to safeguard the financial stability of the euro area as a whole'. As President of the European Council, I will undertake consultations with the Heads of State and Government and the Commission President on the limited treaty change required to achieve this goal. We all want a robust and credible system to be in place in 2013.

It is our duty.

Taken together, these proposals are the biggest reform of the Economic and Monetary Union since the euro was created. They will make our economies more crisis-proof. We will thus complete the edifice started in 1989. Not by moving into an imaginary new castle, but by strengthening our foundations.

In the true spirit of the Lisbon Treaty, all institutions and Member States have worked together to achieve this. It was an excellent example of what the Chancellor last week in Bruges baptised the "Unionsmethode".

It has always been my political 'way of life'. For instance, from the first day of my mandate, I established informal and structural contacts with the Commission, rotating Council Presidency. Without cooperation between the institutions and between the Member States and the institutions, the Lisbon Treaty cannot function.

So the euro brings us stability.

But we also need progress.

If we only stay stable in a moving world, we decline.

We also need more structural economic growth.

In most European countries -- which are not growing demographically, on the contrary, especially in Germany -- economic growth is basically the result either of working more or of increasing productivity, the quality of the work. Making better cars, more competitive machines, developing smarter services.

Otherwise we will become a large museum, but not one that you and I would like as much as this one!

Reforms which touch social security or pension systems are basically the work of the Member States. The European Union can set orientations, especially in the Eurozone, but the implementation is 'decentralized' (it is the principle of subsidiarity). In normal situations, the Union can observe the situation, give recommendations on fiscal balances and debts to Member States, but it cannot impose concrete measures. But when the policies of one country create risks for the Eurozone as a whole, sanctions can be imposed, even at an early stage.

Within the European Council, economic growth is a 'Leitmotif' since the first meeting I chaired in February 2010. Over the next months, I intend to take up in the European Council the twin theme of Innovation and Energy.

These meetings are elements in a long term economic strategy.

In March we will evaluate for the first time -- as part of the so-called European semester -- the efforts made by all Member States to implement the EU2020 strategy, aimed at growth and jobs. Let's insist on that: growth and jobs, that is our goal.

People sometimes complain about a lack of political courage these days (presuming that one or two generations ago, this was a quality in abundance!).

I, for one, have really been impressed over the last year by the political courage of our governments. All are taking deeply unpopular measures to reform the economy and their budgets, moreover, at a time of rising populism. Some Heads of Government do this while being confronted with opposition in parliament, with protest in the streets, with strikes on the workplace (or all of this together!) and fully knowing they run a big risk of electoral defeat -- and yet they push ahead.

If this is not political courage, what is?

We will overcome the divergences inside the Eurozone, which were at the root of the eurocrisis. The current differences in economic growth rates are due to the strong economic measures taken by countries with problems, but all this will be temporary. A few years from now we will show more convergence, not just in policy, but in figures.

And to reassure the German audience: this is about catching up, not slowing down!

The euro is now stronger than a few months ago, precisely because we acted with political determination.

I pay tribute here in Berlin to the exceptional role the German Chancellor and her government have played since the beginning of the euro crisis.

The Franco-German friendship is for the Eurozone a necessary condition for success, but not a sufficient one. The concerns of all should be taken on board. It is my role to make sure that this happens. And it does.

In my view the limited Treaty amendment all Heads of State and Government agreed upon ten days ago is essential, but it should not reopen the entire 'internal debate' on the nature, the goal and the architecture of the Union: we have more pressing matters at hand.

For the same reason, I do not think that redesigning the way the EU get its revenue is a top priority. The current system reflects as a rule the Member States' capacity to pay. Contributions are based on the Gross National Income and thus seen as fair. Some have suggested to replace this with a direct EU tax, for instance on financial transactions or on carbon. It is argued that such real 'own resources' would make the Brussels institutions 'more responsible'. I am personally open to new ideas, but since most alternative sources of income

would risk to hit Member States unequally, this would weaken the fairness of the current system, its built-in solidarity. So let's be prudent, but let's discuss it.

The more important question is how we spend European money. We must focus on areas where European expenditure, by avoiding duplication or by economies of scale, adds value for the taxpayers.

IV.

Ladies and Gentlemen,

This finally brings me to the third theme of our story, as it started in this city 21 years ago.

As I said, since that day of joy, the Curtain went up over Europe as a whole:

We have been bringing into our club the rest of our continent (thanks to the enlargements);

We have been increasing our internal strength (thanks above all to the euro)

And, thirdly now, we have improved the reach of our voice on the world stage.

Here again, 1989 has been a turning point. The changes in the world forced us to assume a growing responsibility for our own security. After the Cold War, we came out of our Winterschlaf.

Not just advocating common principles, but also defining and defending our common interests.

To those who speak with complacency or masochism of a "decline of Europe on the world stage", I just ask: where was Europe on this stage before 1989?

And it is not just WE who have changed since that moment.

Look at the world today!

It is no longer divided in West and East, with the Third World in a corner and us in the wings.

No, those old categories have disappeared.

The impressive economic and political shifts which we call 'globalisation' have not only lifted hundreds of millions of people out of poverty, in so doing they have also drawn a new map.

Thus the Third World has almost shrunk to a large part of Africa, whereas the largest part of Asia, with China and India, shows new self-confidence, and so does South-America.

THIS is the global stage on which Europe has to act.

In this new world, which may offer us many surprises, we have to get and occupy our place. The Heads of State and Government have a seminal role to play: together defining the Union's strategic interests, deciding priorities, setting our common direction.

Let me briefly sketch some developments.

First development: power and influence in the world are more and more a matter of economy, and less of weapons. Recent regional conflicts like in Iraq and Afghanistan have clearly demonstrated the limits of military intervention. Emerging powers are also learning the lesson that they cannot rely on their growing military muscle without the risk of isolating themselves. Moreover, with the world economy growing at a pace of about 4 percent, pressure will increase on the prices of energy, of food, of raw materials. Access to these basic products will be key in the coming decades. As a Union we have to defend our interests in this changing world.

Second, for this globalising world we need a stronger global governance. That's why we need the G20 to take a more political lead as well. Two big reforms are stuck: the so-called Doha Round for further free trade in the world, and the follow-up of the Climate conference of Copenhagen. Fortunately, last month the Ministers of Finance have reached an agreement on the reform of the International Monetary Fund. However, the international monetary system as such no longer works smoothly.

Only market-based exchange rates could translate the 'fundamentals' of an economy correctly and ensure fair competition between countries and currency areas. The economic fundamentals, such as low inflation and low deficits, also have to be sound. Without this, the spectre of protectionism will come back. The shift towards more flexible exchange rates and sound fundamentals will take place progressively, but it is a necessity.

That's why this will be a key issue at the G20 summit of Seoul, later this week

Third, the European Union wants to recognise the political role of the new emerging economies. The Europeans did so by establishing the G20 at the highest level, and by giving up two European seats in the IMF reform. However, we also think that the emerging countries in turn should then feel themselves more responsible for the world economy and be more

active in 'world governance'. I hope they will understand that it is difficult to have simultaneously the rights of an underdeveloped country and of an advanced economy.

In this changing world, the European Union has to adapt itself further. We have to punch our full weight. As we concluded in the European Council of 16 we must build our relations with strategic partners on reciprocity and on mutual benefits. Let's start where we are strongest: leveraging our economic weight. In the IMF, the countries from the Eurozone should work closely together. One day we should come to a powerful euro seat in the IMF, a seat as strong as our common currency.

If we want to count in the world, then each of the 27 Member States and the EU institutions should give the same key messages. Not per se a single voice but a single message, delivered by all 27 countries.

The Lisbon Treaty provides us with the political and diplomatic means to do this. After having spent the first half of the year in crisis management mode, this autumn the European Council has started to give the strategic guidance. From now on, we will discuss foreign relations in each meeting.

To sum up: the Curtain is up, the public is waiting, and Europe is ready to act.

V.

Ladies and Gentlemen,

We have together to fight the danger of a new Euro-scepticism.

This is no longer the monopoly of a few countries.

In every Member State, there are people who believe their country can survive alone in the globalised world.

It is more than an illusion: it is a lie!

Franklin Roosevelt said: 'The only thing we have to fear is fear itself.'

The biggest enemy of Europe today is fear.

Fear leads to egoism, egoism leads to nationalism, and nationalism leads to war ("le nationalisme, c'est la guerre" (F. Mitterrand)). Today's nationalism is often not a positive feeling of pride of one's own identity, but a negative feeling of apprehension of the others.

Fear of 'enemies' within our borders and beyond our borders. It is a feeling all over Europe, not of a majority, but everywhere present.

Our Union is born out of a will to cooperate, to reconcile and to act in solidarity.

Fear is the source of immobility, of a lack of ambition, or worse, of protectionism, in Europe and globally.

Those who are afraid of the loss of jobs and prosperity will thus create precisely what they wanted to avoid.