



Brussels, 16 June 2005

**ADDRESS BY THE PRESIDENT OF THE EUROPEAN PARLIAMENT
TO THE EUROPEAN COUNCIL**

Ladies and Gentlemen,

We are meeting here today at what is a difficult moment in the European integration process.

Two of the founding Member States have voted by a large majority against the draft Constitutional Treaty which you signed and which the European Parliament approved by a large majority.

I believe that the reasons for our conviction that the text was a better way of enabling the Union to operate in a more effective and more democratic manner have lost none of their validity.

But it is clear that many of our citizens did not see it in the same light.

Today no one, and that includes the European Parliament, is in a position to make a final analysis of the situation or to put forward miraculous solutions.

You signed the Treaty, and it is your job to decide on its future.

But one thing that we - the European institutions and the national governments - must all do together is to attempt to respond to the identity crisis undermining the European project in various Member States.

First of all, I should like to say a few words about the decisions which you will be taking over the coming hours and which will need to be clear to the general public.

The main question that everyone is asking is whether the ratification process should continue or not.

The European Council might decide that the draft Constitution is already dead.

All it would take is for one Member State formally to state that it will not be holding a ratification vote on the Treaty.

To date, however, no one - not even France or the Netherlands, without whose agreement everyone knows the Treaty cannot come into force - has proposed such a thing.

Or you might decide to continue the process and perhaps make the schedule more flexible and set aside a period for further reflection, debate and explanation.

This is the option favoured by a majority of the Members of the European Parliament, who have taken due account of the fact that several countries have already ratified the Constitution, including one by referendum.

Out of democratic respect for those countries and for those that have not yet voted, the majority of Parliament's Members believe that all the Member States should be able to state their views once the schedule has been adjusted.

Should this be what you decide, we should make good use of this additional period for reflection and debate and ensure that a 'stop and go' approach does not mean a lot of 'stop' and little 'go'. I

would stress the fact that, whether there is to be a pause or not, a majority of the European Parliament's Members are in favour of the process continuing.

I should also like to tell you what I think we should not do, namely:

- Give in to pessimism and simply accept that Europe has gone into reverse, since to do so would be to open the way to populism, a resurgence of nationalism and a withdrawal into ourselves.
- Pretend that nothing happened. What we must do, on the contrary, is carefully to analyse the reasons behind the different 'No' votes.
- Call a pause, without saying how long the pause will be nor what we wish to achieve during it.
- Start to unravel the Community acquis, which is precisely what we ask all new Member States to take on board.
- Leave the issue in the hands of experts, of eminent persons who supposedly know what they are about, or rush into setting up cumbersome institutional structures.
- Get involved in any 're-engineering' or legal tinkering. The draft Constitution must be seen as a whole; it all hangs together, in a delicate balance which is the fruit of long negotiation. For example, more than one third of the articles in the first part refer to the third part.

Some parts of the Constitution require no changes to be made to the Treaties, but these are balanced by others that do. Let us be careful to ensure that the public does not get the impression that the draft is being pulled apart, with no account being taken of the fact that they voted on the text as a whole, whether in favour or against.

It is clearly up to the representatives of France and the Netherlands to tell us what conclusions they have drawn from the results of their own referendums. However, having been involved in that in my own country, Spain, and in those in France and the Netherlands, I believe that:

1. The extremely strong, and even passionate, interest which voters showed in Europe's future must be seen as positive. We need to continue the debate with them and make good use of this nascent 'Europeanisation' of politics.
2. The 'No' vote was aimed more at the Europe that already exists than the Europe that was actually being put to the vote.

People went back to discussing Amsterdam and Maastricht (Part III) and gave less thought to what was new in the Constitutional Treaty (Parts I and II).

3. People voted against the general context more than against the text itself.

And this context was:

- 3.1. The enlargement, or rather enlargements, already in place or scheduled for the future.
- 3.2. Europe's failure to provide its own response to globalisation and its impact on our social structures.
- 3.3. The different or utterly unrelated ways in which the European project was perceived by Europe's citizens, their political elites and their representative institutions.

Many voters, particularly young voters, rightly or wrongly felt that the draft Constitution failed to provide effective answers on the issues of growth and employment, with Europe being seen as the Trojan Horse of ill-managed globalisation or as responsible for relocations or mass immigration.

Other voters see Europe as being over-regulated or too costly, or fear the loss of their national identity.

The European dream, based on peace, democracy and cooperation, has become a reality. And that means that it is no longer a dream, a source of inspiration.

Europe is a success story. But success can prove fatal if today's fears are stronger than yesterday's dreams.

We need to find new ways of making the enlarged Europe a project capable of inspiring Europeans once again.

Things to think about/do in the future

What should we be thinking about or doing in the coming months?

- Firstly, all the European institutions and the national governments need to show that Europe can provide added value, particularly in economic and social terms and as regards security.

For instance, how can we fail to draw attention to European Union action - which, indeed, is reflected in the agenda for today's meeting - in combating terrorism and introducing a common visas system, a common policy on data protection and measures in connection with judicial cooperation in civil matters and illegal immigration?

Or fail to mention its action against money laundering, and the establishment of an agency to protect fundamental rights? We need to revitalise the Hague Agenda and explain it more effectively and more widely to our fellow citizens.

It would also be useful for ministers not to blame Brussels for all their national problems and, when they come out of Council meetings, not always to speak in terms of who 'won' and who 'lost'.

And this applies also to the discussions that you will be holding on the financial perspective.

Parliament will shortly be voting on some important legislation which had a major influence on the referendum campaigns, such as the proposals for directives on the liberalisation of services and on working hours.

The discussions thereon will follow on from that held on the draft Constitution.

Parliament is counting on there being positive dialogue among the institutions and, in particular, with the upcoming UK Presidency.

If we are to be able to do something about the context that gave rise to the 'No' vote, we will need to address two major issues, namely:

- Europe's borders

Do they exist? If they do, which are they? If they do not, why not? What are Europe's strategic interests? How can this be discussed with the general public?

In this debate, a distinction will need to be made between European reunification, which informed the recent enlargement, and future enlargements.

- The European social model

Rather than setting cultural, economic, social and political models against each other, when they do not necessarily all need to be the same, can we come to an agreement on Europe's response to the economic and social consequences of globalisation, drawing on each others' experience, both positive and negative?

- For all of the above, Parliament can and must be a forum for debate, but not the only one; and a breeding ground for ideas, but not the only one. We are willing to make a contribution, in conjunction with future Presidencies, to a debate that we could organise jointly.

Financial perspective

I should now like to say a few words about Parliament's position on the financial perspective, the second main item on your agenda.

But first of all, I must tell you that say that the approach based solely on net budgetary balances seems to me to be increasingly one-sided and restrictive.

It helps to give the public the idea that they are paying a tax to some sort of foreign power without getting anything in return.

This idea is wrong, because if we are together, it is because European added value does exist and because each and every one of us has benefited enormously in various ways, whether direct or indirect, from European integration.

I will give you an example quoted yesterday in the European Parliament by one of the Members of the Commission: the growth in GDP that may be attributed to the internal market over the past 10 years is approximately € 900 000 million. This means an average of € 6 000 per family in the European Union, and 2 500 000 jobs created.

And there are other equally or more important benefits that cannot be measured in euros.

After all, how can we expect the public to like Europe if all they are told is that it is costing them a fortune as national taxpayers?

This is why I would like the agreement on the financial perspective not just to send out a positive message in the current context but also to mark the start of fresh discussions on how to secure a better match between the goals we intend to achieve together and the resources required in order to achieve them.

As you know, following eight months of intense work Parliament has adopted in good time and in due form, and by a very large majority, its position on the financial perspective.

This is the first time that this has happened.

However, I shall not go into the details here.

You are as familiar with the Böge report as the European Parliament is with the Commission's proposal and that of the Council Presidency.

Parliament stands somewhere between the two, albeit somewhat closer to the Commission's proposal.

Acting within its current powers, the European Parliament has sought to emphasise its support for policies of essential importance to the Union's future, namely those seeking to promote employment, research and innovation and to ensure that the Union can play a fitting role on the international stage.

Parliament also considers that further resources are required for the new area of security and justice.

It is in these areas that we can best generate the European added value that is of benefit to us all.

What is certain is that the European Parliament believes that the ambitions Europe claims to have do not fit within the 1% of GDP ceiling that some Member States are advocating.

It is now up to you to decide on your proposal. You should know that Parliament wants an agreement and it wants it to be reached in good time. But not just any agreement.

And you should remember that the Council does not have the sole power of decision over the financial perspective. Its adoption requires the consent of all three institutions.

The future funding of the Union is too important to be seen in purely accounting terms. It is an eminently political issue, on which the Union's ability to act in the coming years will hinge.

This is, of course, not our last chance to adopt the financial perspective. But I think that it will become more difficult at each attempt. And if in the end we failed to adopt it, we would still need to draw up a budget for 2007. And you know what the Treaty says on this matter and what role the European Parliament would be called upon to play were it to come to this.

I should like to wind up this address by extending special thanks to Jean-Claude Juncker and the Luxembourg Presidency, which has had a permanent presence in the European Parliament in the persons of its President and its ministers, Mr Asselborn and Mr Schmit. They have been willing at all times to listen to Parliament and have demonstrated an exceptional grasp of extremely complex issues which had remained unresolved for years.

I wish to voice my thanks here before you all and to wish the Luxembourg Presidency a steady hand over the next few hours in steering the discussions towards a successful conclusion.