Speech given by Federal Chancellor Angela Merkel at the Conference of Community and European Affairs Committees of the National Parliaments of the European Union and the European Parliament

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Dear Matthias Wissmann, Dear Willi Stächele, Colleagues from the national parliaments and the European Parliament,

There is a special atmosphere in the German Bundestag today, with all of you here as guests and with the interpreting booths set up in the lobbies. I am pleased to be here at this event, which our German parliamentarians are hosting at a very interesting time, that is to say the second half of our Council Presidency. We find ourselves at a point where we still have some expectations and duties for the June Council, to which I will return later on.

We, as the Federal Republic of Germany, were very proud to host the 50 year anniversary of the Treaties of Rome here in Berlin in March. Looking back 50 years, no history book could have told us that Berlin would one day be reunified, that it would be the capital and the seat of government of a recognized Federal Republic of Germany exercising its rights and duties in the heart of Europe.

The European Union today comprises 27 Member States, proving that the insistence on certain values, one of the guiding principles of the Union since its foundation, has paid off. From the very start, the European Union has said that peace should always go hand in hand with freedom, and should never be sought for its own sake. We are happy to see that the values of freedom, respect, responsibility, fairness, solidarity and, above all, tolerance, have today become an indispensable and irrevocable part of Europe, not to mention an integral part of the Copenhagen Criteria for accession to the EU.

The focus of our political action is the individual person, whose dignity is inviolable. We reiterated this in the Berlin Declaration and must therefore make a constant effort to show it as the clear guiding principle behind our actions in the European Union.

Among us today are delegates from the 27 Member States, but also from the candidate countries. We may try to imagine what the founding fathers of the European Union were thinking when they set to work all those years ago. It is interesting to read what Konrad Adenauer had to say about the vote on the Saarland and its eventual reintegration into the Federal Republic of Germany, which took place on 1 January, 50 years ago. Even back then, he said – and many people agreed – that the countries of Central and Eastern Europe as well as German people living in the

other part of Germany, in the Russian zone of occupation, should also be able to benefit from the immense advantages of Europe.

Whatever they were thinking, I for one believe that the biannual meeting of parliamentarians, a tradition since 1989, is a good thing. It is a chance to discuss issues of European policy and thus to show some of Europe's citizen-friendliness. Indeed, we have learned the hard way that, as soon as the European Union drifts too far from its people and loses favour, we end up with voting results which hinder our progress. As democratic countries, it is thus vital that we promote this European Union

What kind of ideas do we need to get across to people in Europe? On the one hand, we should recall that Europe today is united in peace and democracy, that the continual wars which raged in Germany and Europe for centuries are no longer present. But this is reflecting on the past. Needless to say, this is important and something which we must never forget. But as we know from democratic ballots, people are asking about the future – why is Europe vital to me?

For me, the growing together of the world in the 21st century is one of the fundamental reasons why Europe needs to join forces in many areas. Only this way can it realize certain projects and tasks, and give full effect to our common concept of a social market economy – as we would call it in Germany – that is to say, the European social model.

It is not the case that European ideas will automatically receive a majority vote in the rest of the world. At the beginning of the 20th century, Europe accounted for around 25 % of the world population. Today, we account for just 12 %, and at the end of the century, we will make up a mere 7 %. We cannot assume that the whole world will look at this figure and say: that is exactly how we want to live, too. In order to promote our interests, therefore, we must be successful. We must also agree on common interests – not every nation can put forward its individual concerns. This is indeed vital in many areas. This is why we represent a joint position in international fora such as WTO meetings and climate talks. This is why we have launched major joint research projects and why we must work together in other areas, too. It is, after all, in the deeper meaning of an internal market for us to pool our resources and employ them in an effective way.

At the Spring Summit, we discussed the topics of climate and energy. For me, it is very interesting that it was the original idea behind the foundation of the European Union never again to wage wars in Europe for coal and iron ore that gave rise to the Coal and Steel Community. This in turn paved the way for the Treaties of Rome. And gradually, the internal market came to fruition. Today, the topic of energy once again plays a key role in the question of solidarity in Europe. We are suddenly realizing that we will be dependent on each other in future for our energy supplies. The issue of energy solidarity will thus give us much cause for discussion in future. Coupled with the issue of climate protection, Europe has a special task here.

Of course, we could say that since Europe accounts for just 15 % of the world's CO2 emissions, the EU does not necessarily have to take a leading role. But after discussing the issue in the Council, we decided, on the basis of, inter alia, a

Commission proposal and with the broad support of the European Parliament, that, yes, we do need to take such a role, because we believe that we have a responsibility for the future development of the world, because we believe that the emerging economies will only join the process if the developed countries lead by example, and because we will only be able to persuade the United States and other industrialized countries, who are still hesitant, if we lead the way. We also believe that, in doing so, we will create opportunities for innovative technologies and new markets, which will ultimately contribute to prosperity in the European Union. This is why we have agreed on a target of 20 % for renewable energies, a target of 10 % for biofuels, and an increase in energy efficiency, which we then hope to introduce into the international negotiation process.

We were also able, at the Spring Council, to make progress in an area of personal importance to me. We decided to reduce bureaucracy, particularly with regard to reporting and statistical requirements. I know that many people in the parliaments are concerned that this will mean less security. But what we are saying is: We can reduce the costs which we expend on bureaucratic matters. In the age of data processing, this does not necessarily mean that the reporting requirement can be dispensed with completely. But it should at least be organized in such a way that the process is as cost-efficient as possible. Anyone familiar with European legislation will know that there are plenty of other means of clarification and streamlining, and that people will not suddenly find themselves in danger.

As I said, this topic is of particular importance to me. This is because I firmly believe that we need to focus our efforts on the areas which will define our future: innovation, creativity, the aim of investing 3 % of the gross national product of each country on research and development in order to truly make Europe the continent of ideas which we need.

At the EU-US Summit a few days ago, we and the United States agreed to intensify the transatlantic economic partnership – an idea which certain Members of the European Parliament have supported for some time and which has been much advocated. The aim is not to encroach on the world trade talks. The aim is not even, first and foremost, to talk about trade tariffs. Rather, we want to address so-called non-tariff barriers, that is to say standards for various technical developments and procedures where we could save billions if we worked together.

One of the specific targets, for example, is to establish mutual recognition of accounting practices. We believe that this could save billions on both sides of the Atlantic. The same could be applied to licensing procedures for medicine products, for example. We agreed to develop common standards for biofuels. The aim is therefore to harmoniously regulate all the thus far unregulated areas which will affect us in future. The same idea was behind the creation of an internal market within the European Union, an idea which has strengthened and helped us so greatly. We have already managed to secure tangible advantages for the people of Europe in some areas. I need only mention roaming charges. I hope that the European Parliament, the Council and the Commission will be able to reach an agreement here.

Discussions on the constitutional process lie ahead of us. I believe it was the right decision, following the "no" votes of people in France and the Netherlands, to call for

a period of reflection and adopt a two-pronged approach. On the one hand, we must focus on a Europe of citizens and projects, and make clear that we want to achieve things for the people. On the other hand, however, and now that the reflection period is over, we must look at how to make sure that this Europe is able to act again.

To all those who fear the constitutional treaty, I would say this: the Treaty of Nice does not provide for a European Union of 27 to be effective in the future. This can be illustrated by two very simple examples. Firstly, we are joined today by representatives from Croatia and Macedonia. These countries have no chance of acceding to the EU, regardless of whether or not they fulfil the criteria, because the whole Nice Treaty is geared towards 27 Member States. This I say to all those who strongly support enlargement.

Secondly, we would have to go into European elections announcing that the next Commission would have less than 27 commissioners, and that each country could decide which other Member State should not have a commissioner. That would certainly be a "nice" and "citizen-friendly" election campaign. The potential for slander would be considerable.

These two considerations alone are reason enough to renew the EU's treaty basis. I thus particularly appreciate the closing sentence of the Berlin Declaration, in which we agree to place the European Union on a renewed common basis before the European elections in 2009. Indeed, it will be up to you, the parliamentarians, to lead these elections. I include myself in these efforts: we must have a campaign. What are we going to tell people about Europe if we ourselves do not know by then how we plan to restore Europe's ability to act? Yes, you may applaud.

For me, a European Union able to act means one with functioning institutions and one which we have entrusted with the tasks that can only be fulfilled at European level. I could mention, for example, energy policy, for which Europe currently has no responsibility even if we all agree that energy security and climate protection are issues that can no longer be resolved at national level alone.

I am aware that there are many fears concerning a European "super state". These fears must certainly be taken into account. But I must point out that the constitutional treaty already holds the answer to many of these fears, namely because it strengthens the role of national parliaments, strengthens the subsidiarity principle, strengthens the regions and strengthens the participation of national parliaments in Brussels. That is to say, those who are critical of certain aspects need to be careful that they are not falling back on something which offered no answers at all. The constitutional treaty may still show some shortcomings as far as allocating competences and the issue of implementing the subsidiarity principle are concerned. But at least these topics are being addressed at all this time. This is why those who have come up with something must be careful not to end up opposing a constitutional treaty and supporting something like the treaty basis in place today, which certainly does not offer any better answers to these reservations.

Of course, I cannot tell you today how all this will turn out. Our job is to confront things. The Germany Presidency is not expected to solve the problem, but to draw up a road map. A solution should be found, we have said, by the time of the French

Presidency in 2008. The problem with the road map is that some are reluctant to rely on such a map when they do not know where the road will lead.

Finding the right level without overwhelming anyone – that is the exciting challenge before us. Indeed, politics constantly revolves around such challenges. At this point, I can only say that the German Presidency and others are pursuing theirs with zeal. But I will also say this: it cannot be that unanimity leads to a situation where only those who want change have something to say. Eighteen to 22 of the 27 countries in Europe are quite content with what is on the table. A fair compromise must be found between these positions. This is why the road map must also indicate which direction is to be taken, to ensure that no one state is making excessive demands of many others. That is to say, unanimity is always needed in Europe at times like these. You are aware of this

There is something else I would like to say in response to people's concerns. The individual states remain the masters of the treaties. That is to say, the rules are quite clear: there will be no transfer of powers as long as the countries themselves do not want it. You may rest assured that we are trying to bring things forward, that we believe that the time is right for certain developments in Europe, or, in some cases, that conditions will not be any better in the next year and a half. Those who accuse us of moving too quickly must ask themselves this: If we took more time, would we reach any different answers? Our time period is clearly limited by the European elections. Germany will not make excessive demands in this time, but it will continue to attach great value to the importance of solving what can be solved.

I will leave you with this somewhat cryptic formulation. I'm sure you will understand. Or maybe you will say: Merkel is playing her cards close to her chest. I can nonetheless assure you that we will make great efforts to move forward on this issue.

There are a few other areas in which we want to make progress: the issue of migration, strengthening Frontex. This is a massive issue in my opinion. We now have, for the first time, a so-called Trio Presidency, that is to say the Presidency of Germany, Portugal and Slovenia. Portugal will host an EU-Africa Summit at the end of the year. The topic of migration plays a major role on our neighbouring continent. It is also linked to our development efforts, our endeavours in the field of political cooperation and G8 initiatives, in which we are, of course, closely involved as chair of the forum. In view of China's movements not least, I believe it is important for the EU to show what it is made of, to show more responsibility towards its neighbouring continent. I thus greatly welcome the fact that the EU is finally organizing a meeting of the sort held between Africa and China, for example, earlier this year.

Of course, we also intend to work closely with you in communicating the European idea, in promoting European efforts. Tomorrow, I will be in Brussels, where Hans-Gert Pöttering and I will meet representatives of the religious communities to talk about better incorporating Europe's basis of shared values.

This week also sees the EU-Russia Summit. Here too, we need a new Partnership and Cooperation Agreement. The old document will expire this year. It is worth remembering that it was adopted back in 1997, and so needs bringing up to date anyway. There are still a number of problems to overcome before negotiations can

begin, but I hope that the Summit at least shows that we are interested in a close strategic partnership with Russia. Indeed, Russia is a neighbouring region of Europe, a supplier of energy to Europe. And for all of our open discussions on the issue of human rights and civil liberties, it is important to have a good strategic partnership with Russia.

You can see from what I have said that there is no shortage of work ahead of us. I can see from your turnout here today that you are ready to support us. This is why it is always a pleasure to work together in the European Union, to support each other and to discuss problems together.

To our colleagues from Macedonia and Croatia present here today, I should say that the issue of the Western Balkans has always – and particularly in the last few days – been of great importance to us, and that we are delighted that a government is now taking shape in Serbia, something which I consider extremely important. I firmly believe that Europeans wishing to help create a more peaceful and more democratic world can do so more effectively if they work together. This is why the motto of our Presidency is: Europe – succeeding together.

With this in mind, I wish you every success in your ongoing discussions.