



**EUROPEAN COUNCIL
THE PRESIDENT**



Ljubljana, 25 May 2012
EUCO 94/12
PRESSE 220
PR PCE 79

**Speech by President of the European Council
Herman Van Rompuy
at the National Assembly of the Republic of Slovenia**

It is an honour and a pleasure to speak to you today, here in Ljubljana, for my first public speech in Slovenia. I would like to thank you for this invitation to address this House.

Eight years have passed since Slovenia joined the European Union, yet already long before your country had resolutely embraced its European vocation. In fact, it has struck me before that of all national anthems of the member states of our Union, Slovenia's is the most distinctively European. Its moving words encapsulate the very essence of the European project:

The longing for the day when *“no war, no strife shall hold its sway; (...) to see, that all man free, no more shall foes but neighbours be”*. This longing, ladies and gentlemen, is the driving force that led to the creation of our Union - the European Union - this successful and generous project which has united our continent and brought us peace and prosperity.

The adventure began in 1950, only 5 years after the end of the Second World War. Statesmen from six Western European countries came together. Each had a different culture, a different vision of politics; they spoke different languages. Yet they shared something essential. The European project was born out of the idea that we would not be prisoners of our history, but that we could move beyond it and, together, build a new future.

Making peace to build the future. Substituting the bloody battlefields with negotiation rooms in Brussels. Putting age-old rivalries to rest, and replacing them with a will to live together, to belong together.

P R E S S

Dirk De Backer - Spokesperson of the President - (+32 (0)2 281 9768 - +32 (0)497 59 99 19
Jesús Carmona - Deputy Spokesperson of the President - (+32 (0)2 281 9548 / 5150 - +32 (0)475 65 32 15
press.president@consilium.europa.eu <http://www.consilium.europa.eu/>

EUCO 94/12

1
EN

Europe was (and still is) an anchor of peace and stability, a powerful force for change, a symbol of hope. It is true for Germany, France and the other founders after the Second World War, it is true for Greece, Spain and Portugal after their dictatorships fell, it is true for the former communist countries after the end of the Cold War.

Slovenia is well placed to know that the Western Balkans form no exception: the same underlying forces attract them to Europe. Their entry into the Union will seal an end to the last civil war in the history of Europe -- no more, no less.

Your country has been an advocate for this entry. During the Slovenian Presidency of the Council, you brought the EU integration process of the Western Balkan countries forward. Your continued support for the development of good neighbourly relations and regional cooperation remains of crucial importance to the success of this process. And though there is still some way to go before every country in the region fulfils the necessary membership criteria, real progress has been achieved. The accession of Croatia to the EU, in particular, brings new momentum to the European perspective of the whole Western Balkans.

I hope that all EU Member States will be able to ratify the Accession Treaty in good time to enable Croatia to join the Union on 1 July 2013. Ahead of this date, Croatia will be under close monitoring of the matters that still need to be addressed before accession. And it is my hope and expectation that also bilateral issues will be solved in the spirit of good neighbourly cooperation. The spirit of compromise is that on which Europe is built.

In fact, all countries in the Western Balkans must continue with economic and political reforms in order to realise their European perspective. The EU is ready to give its utmost support. But ultimately, it is up to the countries and their people to decide whether they want their European aspirations to pay fruit. This week I am thinking in particular of Serbia: we are hopeful that Serbia's new leaders will continue on the European path with conviction and commitment. Reconciliation and regional cooperation remain key to stability and will determine the success of the enlargement process throughout the Western Balkans.

The Western Balkans' determination to fulfill membership requirements speaks for itself: our Union retains its full power of attraction. But recent events remind us that we cannot take these blessings for granted.

For the past two years and a half, Europe's 27 prime ministers and heads of State have focused their efforts on this overriding objective: overcoming the financial and public debt crisis. Working together, they have set the course, taking emergency action to overcome the crisis' immediate effects, while putting together, step-by-step, a new economic governance to avoid future problems.

Restoring confidence in the future of the Eurozone is an essential condition to the return of economic growth and employment. This is our ultimate objective. The targets on deficits and debts are intermediate targets, no aim in itself.

Taken together, the many small steps we have taken over the past two years actually add up to a significant leap forward. Stricter control of budgets and debt levels, better oversight of bubbles and imbalances, a permanent firewall and rescue funds, courageous reforms, undertaken by countries facing market pressure or benefiting from EU support. Two years ago, nothing of all this existed. Building a lifeboat in the middle of the storm has taken time and energy.

All along, we have kept moving forward on two parallel fronts: responsibility and solidarity. On the one hand enhancing the responsibility of individual countries. On the other giving concrete form to the solidarity that each has towards the whole.

Two of our achievements stand out in that respect: first, the Treaty on the European Stability Mechanism, the permanent rescue fund which will be operational in July -- a major step towards more solidarity. Second, the Fiscal Treaty -- a major step towards more responsibility. Both were designed to help bring the euro durably back into safe waters.

Slovenian authorities have shown a strong dedication to ensure their speedy ratification. While most of Member States still have to complete their national procedures, you have already ratified both treaties. Slovenia's commitment reflects highly on your country's sense of responsibility, and on its determination to play its part in our common efforts to overcome the crisis. This is precisely what the Fiscal Treaty is about: each country taking its own responsibilities.

Now, it is about the next step. On the basis of the Treaty, each government commits to bring a strong fiscal rule into their national legislation, preferably at a constitutional level.

This Golden Rule (or 'debt brake') is not a commitment to austerity. It is a commitment to structurally financing public expenditure through revenue rather than unsustainable debt. It is a fundamental distinction. Excessive borrowing means that more and more of your public expenditure is spent on servicing debt instead of on public services and public investments. It is a threat to our social model.

That is why this credible commitment to self-constraint by each of the signing countries is so essential. It will help prevent a repetition of the sovereign debt crisis, it will restore trust among the Member States.

Slovenia was the second country to ratify the Fiscal Treaty. It has now only to enshrine the debt brake at constitutional or equivalent level, in compliance with the Treaty. I hope that this Parliament will continue to lead the way, and am confident it will succeed in fulfilling this commitment.

Boosting structural growth and jobs has always been our utmost priority. That is why at the informal dinner of EU leaders that I convened on Wednesday, we discussed a number of avenues. We have been working on most of them already for some time. The overall framework - our common EU 2020 strategy on structural economic growth - was agreed in March 2010. Twice this year, in January and March, the 27 Heads of State or Government met to discuss concrete growth initiatives.

I know this issue is of utmost importance also in Slovenia, which is currently struggling with a recession and high unemployment. But there are no easy answers. Since the budgetary situation in many Member States, including Slovenia, is tight, stimulating growth through “deficit spending” is not the solution. Yet there are many angles through which we can act.

In every Member State, some find more resonance than others. Take for instance the financing instruments we can mobilise to support new investments. One such tool is the European Investment Bank. Increasing its resources by 10 billion euro could generate investments up to 180 billions, which could have a significant effect to boost growth and thus also restore confidence in our economies. There may be some reluctance in smaller, less affluent countries [like Slovenia] to contribute more resources to finance projects elsewhere in the Union. Yet in the end they will benefit all of us.

The same is true for the negotiations on our future common European budget for the next seven years. We must ensure that first and foremost, this budget promotes growth. There will be give and take in these discussions, but I hope that by June we will make good progress on finding common ground.

For if there is one single lesson we must draw from the financial crisis, it is that of the unprecedented degree of interdependence between the countries of our Union, and those in the eurozone in particular. The financial situation of one country will affect the banks and taxpayers in another. The national and the European interest can no longer be separated; they coincide – and this has important political consequences too.

Recent events show that each and every part of national political life can take on a European dimension! Decisions by one national parliament -- be it in Berlin or Dublin, or of course in Athens-- are watched all over Europe. More than ever, the EU is deeply embedded in the 27 national democracies. Maybe not formally speaking, but at least politically speaking, all national parliaments have become, in a way, European institutions.

The new Fiscal Treaty introduces meetings of the budget committees of national parliaments with the European Parliament. Even if this forum does not take decisions, it is important as a forum of exchange, as an eye-opener.

A reminder that we carry a common project, especially those in the Eurozone, even if most choices on raising revenue and public spending are made nationally.

Here again, your country’s active support for all the proposals related to our common growth agenda and our fiscal strategy has proved exemplary.

The steps taken by your governments to restore the soundness of public finances again show that you are responsible actors on the European scene, who can demonstrate to others that controversial but necessary adjustment measures are possible. This, especially when facing such a difficult economic situation, is a mark of courage, and of firm commitment to the principles of European cooperation and integration, which should serve as an example for others in the EU.

I should like to commend the government and its Prime Minister, and I hope this Parliament will continue to support these efforts. We all have to take our responsibilities, governments, parliaments and social partners who all play an important role in this country.

Reforms will make a difference over time, and create jobs in due course. But their effects are not immediate nor can they be, and at times they can be painful. Understandably this can generate anger and frustration. If we can create a climate of increased growth and employment, fear can be turned into hope.

That is why it is important that economic reforms are driven in a spirit of fairness and of justice, with honesty and courage. That everyone is contributing and that everyone shall benefit. We must convince people across Europe that their sacrifices in these crisis years were not made in vain, that they are leading to results.

That is why I make again an appeal to leaders and citizens in Greece to let reason and self-interest prevail. We want Greece to remain in the euro area while respecting its commitments. Otherwise all of their and our efforts will have been in vain. Continuing vital reforms is the best guarantee for a more secure future. We expect that after the elections, the new Greek government will make this choice.

Slovenia has always set itself ambitious goalposts, and strived to reach them. You were the first country from former Yugoslavia to join the Union. A trailblazer among the ten countries who joined in 2004, you were the first to adopt the euro, and the first to hold the EU presidency.

Your pioneering spirit has been matched by your constant and sincere commitment to the European cause. Both have been met with success. This pioneering spirit is your greatest asset, and I am confident that you will preserve and nurture it, even in these difficult days also for Slovenia. Collectively and individually, we must be ambitious, steadfast.

Though we should draw confidence and pride from past achievements, this is no time to rest on our laurels. More than ever we need to keep moving forward, together. Facing the future with a shared sense of purpose, of duty, of responsibility. For we share a common goal.

At a corner of the Council building in Brussels, where we hold our summit meetings, there lies a lasting symbol of Slovenia's EU Presidency, which is a constant reminder of this goal. Some of you may know it: a 4 meter monolith in Slovenian stone bearing the first verse of your national anthem in each of the 23 languages of our Union: "may all peoples thrive and prosper".

Such is our common goal: that all peoples may thrive and prosper. Hvala lepa (Thank you)