

Transcription of the interview with Jacques Delors (Paris, 3 April 2013)

Caption: Transcription of the interview with Jacques Delors, French Member of the European Parliament and Chairman of the European Parliament's Economic and Monetary Affairs Committee from 1979 to 1981, Minister for the Economy and Finance from 1981 to 1984 and President of the Commission of the European Communities from 1985 to 1995, carried out by the Centre Virtuel de la Connaissance sur l'Europe (CVCE) on 3 April 2013 in Paris. The interview was conducted by Renaud Dehousse, Professor and holder of the Jean Monnet Chair in European Union Law and Political Science at Sciences Po Paris and Director of the European Studies Centre, and particularly focuses on the following aspects of Tommaso Padoa-Schioppa's life: his activities at the European Commission's Directorate-General for Economic and Financial Affairs (1979–1983), his work on the Delors Committee (1988–1989) and during the negotiations for the Maastricht Treaty and his role as Chairman of the 'Notre Europe' think tank (2005–2010).

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I. Tommaso Padoa-Schioppa's activities at the European Commission's Directorate-General for Economic and Financial Affairs

[**Renaud Dehousse**] Well, Mr Delors, thank you for welcoming us to Notre Europe. We are here to talk about the career of Tommaso Padoa-Schioppa, whom you knew well, and I should like to start by asking you to recall the circumstances of your first meeting.

[**Jacques Delors**] That was in 1979. I had been elected as a Member of the European Parliament and then as Chair of the Committee on Economic and Monetary Affairs. At the time Tommaso Padoa-Schioppa was Director-General of Economic and Financial Affairs at the European Commission. As a result, from the very beginning he wanted to find out what was going to happen in Parliament, the first to be elected by universal suffrage. In fact the overall attitude of the Roy Jenkins Commission was very attentive to the work of Parliament, and that was true of Davignon, Ortoli, Natali and President Jenkins himself. As a result I started out under very favourable conditions, sponsored so to speak by the Commission. And that applied not only to myself but also to other MEPs. I came to appreciate the scope of Padoa-Schioppa's learning and his deep-rooted commitment, but also his availability. We attended meetings on a regular basis and he supervised the work of the Economic and Monetary Affairs Committee. Despite the fact that I had worked at the Banque de France, I learned a great deal in the course of the work under way at that time. I should point out that the Committee focused mainly on the internal market, which was the core concern in those days. So we had regular conversations. Then I was appointed Minister for the Economy and Finance [in France]. It was a difficult time and here again I had the benefit of the Commission's kind concern, in particular on the part of François-Xavier Ortoli and Padoa-Schioppa in the build-up to the 'turning point' of 1983, as it was known. At times I felt a bit lonely, and their support was invaluable. As a result we remained on friendly terms and when I was appointed President of the Commission we met up again in the summer of 1984, before I took office, to talk about the future. He had become a friend and a point of reference, because Padoa-Schioppa was not only a disciple of Altiero Spinelli, combining a commitment to federalism with pragmatism, but also a philosopher of democracy, as shown by his writings on *demos* and *kratos*. This was very stimulating for me and I continued to go to him for advice when he was no longer a member of the Commission but Director-General of the Bank of Italy. When I proposed a stimulus package for the European economy, through the 'Objectif 1992' plan for the completion of the Single Market, I thought he would be able to help. I put him at the head of a working group which produced the Efficiency, Stability and Equity report, which proved very valuable as an attempt to connect the theoretical basis to economic thinking, rather than just relying on political opportunism or strategy. The report was very influential at the time and enabled us to move forward.

[**Renaud Dehousse**] If I remember rightly, that report made an essential point regarding the potential danger of organising free circulation of capital in a system with fixed exchange rates but without

convergence between macro-economic policies.

[**Jacques Delors**] Exactly.

[**Renaud Dehousse**] A problem we are still facing, in a way.

[**Jacques Delors**] Yes, indeed. The report contained two basic components. On the one hand it discussed what constitutes a single market and the conditions in which it can work properly. In these conditions, macro-economic policies do nevertheless converge and there is a discussion on the redistribution factor — redistribution by market forces, but also by the monitoring authority — so when he talked about redistribution, he was thinking of the European budget. That, I think, was the first thing that we found very useful when framing the economic and social cohesion pillar and gaining acceptance for it. But all that had a theoretical basis. On the other hand he had already realised, with this report, that a large market would work better with a single currency. So, thanks to this, I was able, like Tom Thumb, to sow little white pebbles in the Single European Act, which raised the currency issue — not an easy task given that the British Prime Minister, Margaret Thatcher, was against it, and the German Chancellor, Helmut Kohl, thought we were maybe putting the cart before the horse. Anyway I was very determined to include this monetary capacity, in view of the success of the European Monetary System. And it was all inspired by theoretical work done by the group headed by Padoa-Schioppa.

II. Tommaso Padoa-Schioppa and his work on the Delors Committee

[**Renaud Dehousse**] A few years later you again called on his services on what is now known as the Delors Committee, in other words the committee which the European Council tasked with ‘reflecting’ — as it was carefully put — on monetary cooperation within a European framework. Could you tell us what prompted you once more to involve him?

[**Jacques Delors**] Because the task of this committee carried straight on from the work we had done together. He had thought ahead to the new horizon formed by the single currency, and then the setting up of this committee was controversial in itself because at the Council meeting in Hanover, when the decision was taken, Mrs Thatcher had said: ‘If it’s just a study committee, let’s do it.’ But there were serious misgivings in Germany, in particular on the part of the Bundesbank. So, as the President of the Bundesbank was on the committee, we had to find the basis for a working compromise. That was why I suggested Padoa-Schioppa, but I realised that it would be wiser to add a German who was trusted by Karl Otto Pöhl, the head of the Bundesbank. So we had two rapporteurs, which was extremely useful because at times the debate became quite heated.

[**Renaud Dehousse**] I suppose that in these circumstances, his position as a central banker must have carried quite a lot of weight, with his day-to-day experience of this business.

[**Jacques Delors**] Yes. But chairing this group was a major problem. First of all the governors had to be given an opportunity to air their views, not to mention three qualified public figures. I myself had made a point of asking the Heads of Government, in particular Mr Kohl, who held the presidency of the European Community at that point, to ensure that we had the governors of the central banks and not the finance ministers. I had ample experience of both, as once a month I went to Basel for a meeting at the Bank for International Settlements where I saw all the governors. The fact that we were dealing with governors gave our discussions a much more technical edge, but at the same time there were differing views. Some were in favour of just a common currency or the establishment of a European monetary fund, in particular Mr Larosière initially, which was helpful. But on the other hand the Danish and German governors kept raising objections. So it all took time, and for this Padoa-Schioppa’s amicable diplomacy was helpful, but I must say that Gunter Baer helped too and we thus reached a unanimous conclusion. The atmosphere had changed so much that they called for

champagne to mark the occasion. But the beginning was very difficult and I cannot over-emphasise how much both Padoa-Schioppa's theoretical abilities and his sense of dialogue contributed to the achievement.

III. Tommaso Padoa-Schioppa's contribution to the negotiations on the Maastricht Treaty

[**Renaud Dehousse**] I should like now to move on to the period immediately after this, and the build-up to Economic and Monetary Union, in particular the negotiations for the Treaty of Maastricht. At this stage Padoa-Schioppa was once again a key player in the Italian team, alongside Mario Draghi, now President of the European Central Bank. Did you ... could you tell us a bit more about the part he played in the Italian approach to the Maastricht Treaty?

[**Jacques Delors**] The preparations for the Treaty of Maastricht, which came about for reasons which would take too long to recall but which, to cut a long story short, came after the fall of the Berlin Wall and a difficult time during which the Germans managed to convince their partners that all that was for the good, not only in terms of mega-politics but also for Europe. In the meantime we had witnessed the tragedy in former Yugoslavia where, for instance, France and Germany adopted very divergent positions due to the differences in their historical standpoint. So, all in all, all the partners saw Maastricht as a means of overcoming our hesitations, our various quarrels, large or small, and we set our sights on Maastricht. There were two very distinct sides to Maastricht: on the one hand the single currency, and on the other foreign policy issues, which as we all know gave rise to a text which I believe verges on the ridiculous and which of course led to nothing. Which left us with the single currency and the conviction that we had to get on with it. Maastricht started with discussions between the leaders, but no conclusion could be reached. At which point Andreotti said: 'We need to set a deadline for completion: 1 January 1999', an idea suggested to him on the plane by Padoa-Schioppa, who as you pointed out was on the Italian team.

[**Renaud Dehousse**] Here again we see the recurrent concern of various Italian leaders all the way through this period to make the switch to a single currency inevitable, a course of action set forth, in some sense, in the report by the Delors Committee.

[**Jacques Delors**] That's right, but Prime Minister Andreotti had headed the European Community for six months in 1990, doing so very skilfully, because of course at that time, the United Kingdom was increasingly hostile, and Denmark and other countries were expressing reservations too. But he nevertheless managed to take the necessary steps for the Maastricht process to be concluded. But to go any further an irreversible date had to be set, and it was Andreotti who proposed just that, prompted by Tommaso.

[**Renaud Dehousse**] Which is an instance of the convergence you were talking about between the federalist ideal, on the one hand, and the considerable pragmatism that one needs in this sort of negotiation. In the following years Padoa-Schioppa became a member of the Executive Board of the European Central Bank. Did you stay in touch with him?

[**Jacques Delors**] Yes, yes, with him ... during this period, a little more ... I was no longer at the head of the Commission but we nevertheless had opportunities to meet. He would explain to me the problems posed by launching Economic and Monetary Union, then running it properly.

IV. Tommaso Padoa-Schioppa as Chairman of the 'Notre Europe' think tank

[**Renaud Dehousse**] Now, here we are in the offices of Notre Europe, the organisation which you founded and which he chaired for a while. Can you explain why he was asked to resume this militant stance again?

[**Jacques Delors**] Well, you see, I gave up that position at the end of 2004. I was head of the Conseil de l'emploi, des revenus et de la cohésion sociale (French Council for Employment, Revenue and Social Cohesion — CERC). Initially I thought I would be able to hand over to Pascal Lamy, but then he was appointed as Director of the World Trade Organisation. But there was unanimous agreement on asking Padoa-Schioppa, who was serving as Finance Minister, to take on this role. He bravely accepted the proposal. Meanwhile, we were following with great interest his work in Italy, which was far from easy, trying to reconcile progress towards greater rigour, in particular regarding the budget, with the difficulties of coping with a coalition, which was quite a challenge. The Prime Minister — the President of the Council as they say in Italy — Romano Prodi spent every Sunday on the phone to the leader of one or other tiny political grouping to maintain some sort of unity. And of course all this had an impact on the person in charge of the accounts. It was a very difficult job. I went to see him and he was always very composed, supported by various people, public figures such as Carlo Azeglio Ciampi, who had been both Governor of the Bank of Italy and Prime Minister. The Board at Notre Europe was unanimous in its decision to ask him to do this job and there is no doubt that thanks to him the organisation took a big step forward. A big step forward, on the one hand in terms of its influence which, so to speak, was almost spiritual and not merely intellectual, and on the other his realistic struggle to move things forward, basing his action on his understanding of the institutions and democracy and on his far-reaching grasp of monetary issues. At the same time as he was doing this, after he stopped being Finance Minister, he was much in demand abroad. Indeed for a while he also chaired the International Monetary and Financial Committee at the International Monetary Fund. In short he had considerable international reach but there is no doubt that the team at Notre Europe was transcended — that's no exaggeration — by his brilliant presence, his availability and his firm convictions. There was always this recurrent feature, the opposition between his loyalty to Spinellian federalism and the need to move forward.

[**Renaud Dehousse**] It also reflects his belief that some form of networking was necessary, bringing together people, at various levels in different countries, who all shared the same convictions.

[**Jacques Delors**] Yes, that's absolutely right. At the same time he maintained links with the European authorities, both at the Commission and Parliament, which meant that he was extremely well placed. He did all this very calmly ... you would never see Tommaso in a rush, chasing deadlines. He was always very composed and I think that this quality, as I've said before, brought about a big change in the team at Notre Europe and its Board too.

[**Renaud Dehousse**] Well, thank you very much for your time and for this account.

[**Jacques Delors**] It was a pleasure. We are ... I am very happy to have contributed to this work of memory.

[**Renaud Dehousse**] Thank you.