

Transcription of the interview with Élisabeth Guigou (Paris, 29 September 2008)


Caption: Transcription of the interview with Élisabeth Guigou, Secretary-General of the French Interministerial Committee for Questions on European Economic Cooperation from 1985 to 1990, Policy Officer to French President François Mitterrand from 1988 to 1990, Minister for European Affairs from 1990 to 1993, Member of the European Parliament from 1994 to 1997, Keeper of the Seals, Minister for Justice from 1997 to 2000, Minister for Employment and Solidarity from 2000 to 2002, Chairman of the Foreign Affairs Committee in the French National Assembly since 2012 and a member of the Board of Directors of the think tank Notre Europe — Jacques Delors Institute, carried out by the Centre Virtuel de la Connaissance sur l'Europe (CVCE) on 29 September 2008 in Paris. The interview was conducted by Frédéric Clavert, a Researcher at the CVCE, and particularly focuses on the following aspects: French administrations and European affairs, keeping France in the European Monetary System and the Fontainebleau revival, the role of the Secretariat-General of the Interministerial Committee for Questions on European Economic Cooperation (SGCI) and the road to Economic and Monetary Union (EMU).

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1. French administrations and European affairs

[Frédéric Clavert] Good morning, Mrs Guigou.

[Élisabeth Guigou] Good morning.

[Frédéric Clavert] Thank you for agreeing to give this interview. Let us start with your career in the 1970s. You worked at the Treasury and for the Planning Board. How much space did European questions take up in the work of a senior civil servant, which is what you were at the time?

[Élisabeth Guigou] None.

[Frédéric Clavert] None...

[Élisabeth Guigou] [Laughter] At the Treasury I was responsible for the financing of the Government's cash position. So it was very — I was a young administrator, you see, I mean, it was just national business. I was rapporteur for the committee on the financing of the Sixth or Seventh Plan, I believe. There too, the discussions were purely about national affairs. So I really only started working on European affairs when I was the financial attaché in London, which was five years later, actually. In any case the view at the Treasury was that Europe was the Quai d'Orsay's business, so it was rather looked down on. Then there was the European Monetary System, which was interesting, but purely from the monetary point of view. Then again, at the time, I mean from 1979 onwards, it had barely started. So to be quite honest it wasn't really on our radar at all. Absolutely not at all.

[Frédéric Clavert] And when you were the financial attaché in London, it was round about the time when Margaret Thatcher came to power. It was the era of the famous 'I want my money back' speech. Were you associated with the decisions on the question of the British contribution in London and afterwards?

[Élisabeth Guigou] Well, not in London, no, because to start with, I stayed in London for two years, 1979 to 1980. And halfway through 1981, and the main issue at that time was the upheaval she was causing in economic, social, monetary policy — in Britain, in any case. The British contribution questions came up later. And that's when I got to work on them, when I was at the Élysée. With Jacques Delors and then at the Élysée, but no, not in London any more.

[Frédéric Clavert] Right. And as for European questions more generally, in London, how did you deal with them?

[Élisabeth Guigou] They hardly came up at all, at least in the financial agency; basically we were working on bilateral questions. So, we had good relations with our counterparts in the other embassies, but Community questions didn't come up in my work at all.

[Frédéric Clavert] At the beginning of this interview, you mentioned that in the 1970s national administrations were not much concerned with European questions, or indeed at all. You became Minister of Justice in 1997 with the victory of the Left in the general election. Had the situation changed?

[Élisabeth Guigou] Not at the Ministry of Justice at any rate. When I arrived there, in that ministry with its sovereign powers, one of the first things I asked myself, apart from the fact that I wasn't at all familiar with matters relating to justice, was: 'What am I going to be able to do for Europe in this ministry?' So — there was an International Affairs Department — I asked them to come and brief me on what was done at the Ministry of Justice with regard to European questions. And I noticed that they did a lot of bilateral business, Franco-Belgian stuff, Franco-Polish stuff, a great deal of that, and they did it very well, in fact; there was a lot of multinational work, involving the UN, major international conventions and so on. But as for Europe, to be honest there wasn't much. The minister, the previous ministers used to go to the Justice and Home Affairs Council, which had been set up by the Amsterdam Treaty and which I had played an active part in because ... I mean the Maastricht Treaty, then reinforced by the Amsterdam Treaty ... because, when I was a Member of the European Parliament, I had been appointed with my colleague Elmar Brok to represent the European Parliament at the Amsterdam Intergovernmental Conference. That was the first time the European Parliament had been invited with the ministers to take part in an intergovernmental conference. So we had done a lot of work on justice and home affairs questions, strengthening the third pillar, and in particular we had toned down the strictly intergovernmental aspect of those subjects and put rather more inter-Community procedures into them.

So when I arrived, of course, after three years as an MEP, and we had just concluded the Amsterdam Treaty, I said to myself: 'Well, I'm going to be able to bring the Amsterdam Treaty, which I had been involved in, to life.' And I noticed that nothing was being done. The first Justice and Home Affairs Council I took part in was a nightmare, because I didn't understand a word of what anyone was saying. I have to say my colleagues quite clearly didn't either. There was no political impact at all. That Council had been swallowed up by a host of working parties, each one more learned than the one before, comprising law professors, researchers and so on, who did some research work that was very interesting but led to nothing of any political substance. I even asked once: 'How many working parties are there?' No one could tell me. 'Who chairs them?' They barely knew. It took three months to get hold of a list of the working parties and the chairs of the working parties. So there were no instructions, there was no political guidance. They were very honest, decent groupings, of course, of eminent lawyers, who compared and contrasted their points of view rather as one can in the hallowed precincts of universities. As I'm sure you can imagine, given the difference between legal traditions, it could never have led to anything much.

So, with my German colleague and the Commissioner responsible for those issues, I said: 'Right, listen, we need to set some political objectives. We're going to get something done at least.' So we worked and we did some very important work. By which I mean we identified a number of issues which had not been resolved. Firstly, issues connected with divorce involving couples of different nationalities, with the issues raised by custody of the children. In particular, we had some awful problems between France and Germany, because there were German courts which awarded custody of the children to the father or the mother and then a French court would do the opposite. So the parents would squabble over the children. They used to kidnap the children. The father would want to take them back to Germany, or the mother would want to take them to France. So we decided to resolve that question. And we managed — to start with, we set up a working party, in fact, to settle the most difficult cases involving French and

German parents. I went to Germany and had meetings with leading legal experts at the highest level. My colleague came as well. We set up a work project between the Court of Cassation and the Supreme Court in Germany, a joint project between the different jurisdictions. And we appointed Members of the European Parliament, women from France and Germany in fact, to act as mediators in the most difficult cases.

So we started like that, but it was a very important piece of work because it eventually led to directives which have made mutual recognition one of the cardinal principles of legal cooperation in Europe today. What you have nowadays, in relation to penal matters, is the European arrest warrant, and for civil matters there is mutual recognition, that is, we recognise a decision by a court in a European Union country once certain conditions of localisation have been agreed on. In divorces where there are children, for example, the competent court is that of the place where the couple lived before they separated. This means that if it was in Germany, it's a German court, and if it was in France, it's a French court, whatever other considerations may come into play. So we did manage to hammer out this extremely important principle, which is now ...

And then we identified — I was the one who took the initiative on this — the fact that the criminal justice system, especially in major cases involving financial proceedings, was completely impotent, because offenders and fraudulent capital used to cross borders, whereas judges and the police never did. And that was a lesson I learned from Schengen, which I had had ratified when I was Minister for European Affairs. So there we launched a whole work project which actually culminated in the Tampere European Council in 1999. I remember we worked in the run-up to the Finnish Presidency, which was the first Finnish Presidency, in a bilateral way with our Finnish counterparts. The Ministry of Justice had an old working tradition we shared with the Finns which stood us in good stead. The Prime Minister, Paavo Lipponen, asked me to come and see him a long way in advance. And we spent a day working on what would have to be done. I suppose he must have done the same with other colleagues of mine. So we prepared the ground for the Tampere European Council, which did lead to the road map which was finally there to be seen, and which was to produce results, I mean the road map for all the work on cooperation between the police and the courts. We set up Eurojust following Europol, which had been set up as part of the follow-up to the Schengen agreements. We had the principle of mutual recognition, the European arrest warrant, and all the rest of it. So there you are, I was very attached to that, and I am very glad that the Ministry of Justice became very active as regards Community affairs because, I'll say it again, that wasn't its tradition.

2. Keeping France in the European Monetary System and the Fontainebleau revival

[Frédéric Clavert] After that posting in London, you came back to France, you worked first of all for Jacques Delors, the Minister for Economic Affairs, and then you became an adviser at the Élysée Palace. The Mauroy government was having some economic difficulties which led to the devaluation of the franc, but also to the extremely important decision not to pull out of the European currency snake. What part did you play in the economic and monetary decisions by France which led to the franc staying in the EMS in 1983?

[Élisabeth Guigou] Well, to start with, I have to tell you that I first got to know about European Community matters when I started working in Jacques Delors' private office, because I was there as the correspondent for the Treasury Department. I was responsible for the whole range of financial questions associated with the currency market, in other words, external economic questions. So from the outset I was dealing with the difficulties we had keeping the franc in the European Monetary System. We first devalued in October 1981, and then again in June 1982. So there were currency upheavals each time, and I was the one who used to go to the minister's office three times a day with the foreign exchange sheets given to me by the Bank of France, with which I had direct ties, with the currency trading hall and the deputy governor in charge of

international questions. So I found out about European questions through the monetary questions from the foreign exchange system and the situation of the franc and, in a broader sense, because Jacques Delors attached huge importance to Community questions. For the first time, at the Ministry of Finance, I saw someone who thought that European questions were of the greatest importance and who did not treat them with condescension as I had seen pretty well all officials doing up till then. That was when I started taking an interest in what went on in the Ecofin Council, even if I wasn't directly responsible for it in the minister's private office, except, yet again, from the point of view of managing interest rates.

Actually they brought me over to the Élysée Palace because I was a currency market specialist and because no one at the Élysée had seen the devaluation coming in June 1982. And of course Jacques Delors had met the President of the Republic, and he had briefed him on developments in the situation, but the whole team in the secretariat-general etc. were largely taken unawares by that constraint, that necessity. So it was from the summer of 1982 that the Secretary-General, who was Jean-Louis Bianco to begin with, asked Jacques Delors to let me go off to the Élysée because he needed someone who was a specialist in those questions. Jacques Delors initially refused. As for me, it would have been out of the question to leave without his agreement. I had been with him for six months, because I had not gone straight to his private office as soon as I got back from London. So it dragged on like that for the whole summer. Then it was the President who finally asked him after the summer holidays in 1982, in autumn 1982.

At the Élysée I wasn't directly responsible for European questions. They had brought me over to take charge of currency market questions, foreign trade issues. In other words, everything to do with the international economy and the external economy. It was another adviser, called Pierre Morel, who is now an ambassador in fact, who used to deal with European questions. Little by little, though, through the business of the British rebate, through the EMS issue in the first instance, I started to get fully involved ... Where that decision was concerned, my position from the outset was that it was unthinkable for us to leave the European Monetary System. In fact the first note I wrote for the President of the Republic was about our balance of payments position, which was disastrous. I did a table for him showing him that we had a foreign trade and balance of payments deficit which was very substantial, we had practically no foreign exchange reserves left, our ability to borrow on favourable terms on the international financial markets — I had managed that at the Treasury — was at risk and so, if we continued like that, we would end up having to ask the International Monetary Fund for help like any banana republic. So I sounded the alarm straight away. In fact that's why they got me over. And for me, obviously, finding a solution outside the European Monetary System could not be an option, because I knew very well that we would have to restore the balances and we would need European solidarity once that phase was over.

So I started writing notes saying that. And then the President, who was working — you know, I was just a run-of-the-mill adviser at that time, that's all, I didn't have opportunities for discussing things with the President — ... and then a few months before he took his decision, at any rate, he sent for me to his office to talk about it, so that I could give him my point of view. You should know that there was a small team of us at the Élysée who all took exactly the same position on this, fortunately. There was the Secretary, Jacques Attali, special adviser to the President, the Secretary-General Jean-Louis Bianco, the Deputy Secretary-General Christian Sautter, the adviser on internal financial affairs, François Stasse, and me taking the notes because it was about my primary area of responsibility. Luckily we were all five of us very much on the same wavelength on this view and we were in constant touch, of course, with Jacques Delors' team, not to say Jacques Delors himself, and with the Matignon team: Jean Peyrelevade, Daniel Lebègue and Pierre Mauroy of course. So that was the group which took care to counter the arguments put up by various siren voices and tell the President there couldn't be any other solution.

Well, I had the impression there were two things which persuaded President Mitterrand, who quite frankly hesitated. The first is that he had been committed to Europe for a long time, and we were able to see the truth of that subsequently. He was a staunch European. He was emotionally attached to Europe. Well anyway, when he talked about the Hague Convention of 1948, which he had attended, he really always was very moved. And the second thing is that I had demonstrated to him in notes that, if we left the European Monetary System, the situation would be worse because the franc, which would no longer be supported inside the EMS, would fall on the currency markets. As that would be intolerable, we would be forced to support it, in other words interest rates would go up and it would be still worse for the real economy and not better, as the siren voices were saying. And staying in the EMS, on the other hand, meant being able to count on European solidarity, absorb the shock, not having to accept humiliating terms imposed by the International Monetary Fund. And that is what actually happened, as Chancellor Kohl agreed — it was a major gesture of solidarity — to meet us part of the way, I mean to revalue the Deutschmark so that the franc would not have to be devalued too heavily. And it was Jacques Delors who negotiated that, very well in fact. And it came about in a context where Mitterrand had given Kohl his backing on the matter of the Eastern bloc missiles the previous January. A friendship, a feeling of solidarity, had grown up between them.

So there you are, I was part of that group of five people, if you like to call it that, at the Élysée. But it was I who did most of the writing on the subject, not surprisingly, because of the job I was in. I remember that a few days before taking his decision — it must have been at the end of February or the beginning of March 1983 — the President gave a lunch to which he invited Pierre Bérégovoy, who was not the Secretary-General of the Élysée any longer but was an influential minister and very friendly with the siren voices, and who to some extent also represented that option within the government. He had invited Jacques Attali, Edmond Malinvaud, Laurent Fabius and, to my great surprise, I was invited to the lunch. It was the first time I had been admitted to that kind of discussion with the President directly as part of a select committee. And at the lunch he asked each of us to give his or her point of view. He asked me to start. I was quite cowed, of course, very intimidated, so I said what ... He said to me: 'Say what you write in your notes.' So I did, and he did not sum up. He listened to everybody and he took his decision a few days later, I believe. So there it was. Well, of course it was an extremely important act, one which later on led to ... Basically, it was an acceptance that we were in an open economy, in other words setting aside everything we used to call the Albanians, who thought that we ought to bring back, close the borders, etc. So there you were. It was obviously a crucial choice.

The presidency in the first half of 1984 was extremely important. It was François Mitterrand's first presidency, presidency of the European Community, as it was called at the time. So the understanding with Kohl was consolidated and, after long, laborious discussions with all the partners, Kohl and Mitterrand managed to win Margaret Thatcher round at the Fontainebleau summit in June 1984. I myself, on that one, I was more specifically involved through the British contribution, you see. And what the Fontainebleau European Council mainly did, as Mitterrand said in his writings, was resolve 17 matters which were in dispute. It wasn't just the British rebate. There was a whole host ... As often happens in European affairs, when a hefty problem comes up, all sorts of other problems start accumulating because national interests take first place before the interests of Europe. So they managed to resolve 17 disputes — Mitterrand had counted them — and then do a relaunch through the two committees that were set up: one was for institutional reform, that was the Dooge Committee, the other was already for a citizens' Europe, the Adonnino committee, which later gave birth to Erasmus, which was to be decided on a little bit later, of course. And the Dooge Committee made a huge number of proposals, which were later taken up in the Maastricht Treaty, especially the ones about European citizenship. So that was obviously a very important European Council, which rooted Mitterrand

for good in the idea that Europe had to be one of the priorities for his seven-year term and which also got him recognition from his opposite numbers as a great European.

[Frédéric Clavert] And what part exactly did you play at the Fontainebleau Council and then afterwards in the different stages of that European revival?

[Élisabeth Guigou] Well, you see, at Fontainebleau I wasn't in the front rank, because it was Pierre Morel who was still the adviser on European affairs, but I used to get involved via the British contribution, and in fact through all the financial decisions. When it came to thinking about a new resource for the European budget through VAT, I was the one who used to draw up the notes because I was the one with links to the Ministry of Finance. Pierre Morel's links were more to the Quai d'Orsay. So the part I played was secondary as regards the whole range of European issues. And I used to speak out on financial questions. On the other hand, from the summer, from the beginning of 1985, Pierre Morel went off to do something else and the President asked me to add European affairs to the things I was previously responsible for. And that was when I became Adviser on European Affairs to François Mitterrand. So that was it, from 1985, I had been at the Élysée for three years. And my role was consolidated at the end of 1985 when he asked me, seeing that the elections of 1986 were coming up and things weren't looking too good for the Left, he asked me to take over as head of the SGCI [French Secretariat-General of the Interministerial Committee for Questions on European Economic Cooperation].

3. The role of the Secretariat-General of the Interministerial Committee for Questions on European Economic Cooperation (SGCI)

[Frédéric Clavert] Can we actually stop and look at the SGCI for a bit? How did it work? What was it for? How did it fit into the French government's decision-making process on European affairs?

[Élisabeth Guigou] Well, at the time, before I was Secretary-General, the SGCI reported to the Ministry of European Affairs. That was a decision taken when André Chandernagor, who was the first minister for European Affairs, was there, and it had been continued afterwards. I'd always thought it wasn't a good decision because the SGCI's job was to set up the interministerial trade-offs to make sure that France spoke with one voice in Brussels. So the role of the SGCI was to gather together everyone's opinions — firstly to circulate all the documents coming from Brussels to the various ministries, in other words the Commission's proposals, so everything had to go through it. The Permanent Representation got all these documents, sent them to the SGCI — it didn't send them directly to the various ministries — the SGCI got the documents from Brussels through the Permanent Representation and then dispatched them to the various ministries with a note saying: 'Here you are, write me a note giving your point of view on this or that subject'. And when it was getting near the time for a COREPER meeting or a working party, even an administrative one, and all the more so for a Cabinet meeting, the SGCI organised interministerial meetings at various levels — it could be the basic administrator, the bureau chief, the under-director, the director, it depended on what was at issue, it depended on the level of the talks in Brussels — and the SGCI was responsible for putting together, for making sure that there was a single French position, in other words for arbitrating between views that were inevitably different. The Ministry of Finance, by the way, was never in agreement with all the others.

So from that point, when the Secretary-General was unable to establish or put together a consensus, bearing in mind that it was the SGCI whose task it was to send the telegram with instructions to our Ambassador and Permanent Representative in Brussels saying: 'This is what you have to put forward as our view in COREPER and what your deputies have to put forward

in the various working parties.’ When the SGCI failed to achieve this, it was up to the Cabinet or even the Prime Minister. What I used to think was that the ministries — and it turned out to be true, as you have been able to see — that the Ministry of Finance did not want to have its views arbitrated by the State Secretary for European Affairs, nor did the Ministry of Agriculture, and that what was actually needed was the authority either of the Prime Minister or of the President of the Republic. So I felt the SGCI should report to either one or the other, to give it the requisite interministerial authority, and so that at any given time, when an administrative arbitration exercise — because it was an administrative body, the SGCI — failed to put together a consensus, it could refer back to the person who arbitrated between the ministries, in other words the Prime Minister or the President of the Republic. So the SGCI didn’t work too badly, but it was very soon stopped from playing its part, or at any rate being influential enough, because of this political stumbling block. Then again, the State Secretary or Minister for European Affairs was a State Secretary or a deputy minister ... so he was obviously less important in the government than other major ministers.

So when I arrived ... I was appointed in November 1985; I was appointed because the President wanted, as he said to me: ‘I want to keep European affairs under my control. The elections may not turn out well for us, so I’ve decided that you are to be Secretary-General.’ And I immediately said to him: ‘In that case, Mr President, the SGCI, if we are to be of any importance, must stop reporting to the Ministry of European Affairs and must report to Matignon. And in that way we will have a configuration which, by the way, worked at the time of de Gaulle and Pompidou, where the SGCI as an administrative body was a service under the Prime Minister. It sets up an interministerial committee chaired by the Prime Minister, with the Secretary-General reporting to the Élysée, so that you are sure of having a link to the future Prime Minister, whoever that may be. And nothing will go missing. Because there is nothing worse than an administrative body without power and without ...’ So that was the system that was adopted. When I myself became Minister with responsibility for European Affairs in 1990, I didn’t ask for that to be changed. I could see very clearly that my own authority as minister was also tied to an SGCI holding a position of strength in the state apparatus and, what’s more, one which I was working with every day. In any case, the Minister for European Affairs is the minister who has most to do with the SGCI by definition. So we kept that system and I think it was the right thing to do.

[Frédéric Clavert] As head of the SGCI, you were — especially if it was reporting to Matignon — in a particularly advantageous position from which to observe Jacques Chirac’s European policy, since he came to power in 1986, up to 1988. He came in with a reputation for being rather a Eurosceptic. There was the Cochin appeal in December 1978. How did you see Jacques Chirac’s European policy from 1986 to 1988, considering that he did have some room for manoeuvre as regards the Élysée?

[Élisabeth Guigou] Well, to begin with, my feeling was that as secretary-general of an interministerial service reporting to the Prime Minister, my job was to give him all the requisite information and make the service operate as effectively as possible. So I talked to the President about it. He asked me how I saw things. I said to him: ‘Well, the Prime Minister when he arrives will find a complete dossier on his desk with a run-down of all the issues ministry by ministry, and then my proposal to you is that I do my work as I am doing it now, and if I see any political problems coming up between you and the Prime Minister which we fail to resolve between your private offices, in other words me for yourself and the Prime Minister’s advisers, well, at that point we will propose setting up a meeting in your office.’ He immediately agreed to that plan. So I didn’t have any ... Of course I had heard the Cochin appeal, and I could also see that that was not all there was. There was the fact that Jacques Chirac, the leader of the RPR, was against, very firmly against, the accession of Spain and Portugal to the European Community, which was in progress but hadn’t yet taken place. There was a treaty which was in the process of being negotiated. The Accession Treaty for Spain and Portugal was going to have to be ratified by the French Parliament. So there was a big question mark over that. I could see

that Jacques Chirac was very focused on agricultural interests, almost to the exclusion of anything else. In the European budget, of course, there was competition between that and other things.

But as good luck would have it, first of all, the decision to agree to Spain and Portugal joining was taken before Jacques Chirac took office, so the only question had been: ‘Will France be able to ratify this Accession Treaty, on favourable terms?’ So that was a major problem that was now behind us. The second thing was that we had signed the Single Act in Luxembourg in December 1985. Now that was a treaty Jacques Chirac, the leader of the RPR, had also been against, though it was accepted by the 12 Member States at the time. So either Jacques Chirac questioned decisions which had been taken at the European level: the Single Act and the Act of Accession of Spain and Portugal ... When it came to it, he didn’t. So provided the Prime Minister — like de Gaulle before him, by the way, had agreed to the Treaty of Rome, etc. — once he decided not to question those decisions, there were no major conflicts during the two years when he was Prime Minister.

Apart from the budget issue, since after the accession of Spain and Portugal Jacques Delors proposed raising the level of the European budget and, in particular, within that budget, doubling the structural Funds. Well, on this first ‘Delors package’ as it was called, there were some very fierce interministerial discussions because the Minister for Finance, Mr Balladur, didn’t want to increase the budget, while the only thing Jacques Chirac thought about was expenditure on agriculture, so he rejected the idea of doubling the structural funds. So there was a meeting in the President’s office because the points of view were irreconcilable and we couldn’t do it, and because ... François Mitterrand said ... He got the ministers who were there talking. So he called in the Prime Minister, the Minister for Finance, the Minister for Agriculture and the Minister for Research — because there were also plans to increase the appropriations for research. He got them to talk one after the other, he gave the floor to the Prime Minister. And he concluded by saying: ‘Prime Minister, I am going to support you and I will support the positions we are going to hammer out together concerning agriculture. I will support you. You will be the first to speak on that subject. But you must agree to a doubling of the structural funds, because otherwise we won’t get an agreement on agriculture. The others won’t let us have it. You must.’ And Jacques Chirac finally gave way, in fact. So that went through without too much difficulty because we didn’t have any huge subjects to deal with like the ones I have just mentioned to you. So there it was ... in contrast to what happened later during the second ‘cohabitation’, with Jospin.

[Frédéric Clavert] In 1988–1989, there were huge changes in Europe with the fall of the Berlin Wall. What were the new issues which emerged at that time with the falling of the Wall? And how did France deal with them?

[Élisabeth Guigou] Even before the presidential election in 1988, François Mitterrand said to us: ‘As soon as the election is over I plan to go on a tour of the eastern European countries.’ Because there were a great many things going on there. That was when he went on his famous trips, when he got Wałęsa out of prison and so on, to have breakfast with him at the French Embassy; and every time he met Chancellor Kohl — he used to see him very often for private meetings or just with one or two close associates — he would ask him about what was going on over there because Kohl, of course, had information which was more ... via the East Germans. And he was also much more often in contact ... and particularly with the Russians too. So we used to talk about that a lot and I would say that as regards the ...

It was obviously a huge upheaval. But to begin with, Mitterrand was in constant consultation with Kohl on those questions. Then he very soon told the Chancellor that German unification was the Germans’ right, as soon as the East Germans voted for that unification, it was the Germans’ right. But the international conditions, in other words the borders, would have to be respected. The borders couldn’t be changed. That was an issue in internal discussions in

Germany because there was one of the major parties to the coalition, the CSO, which wanted to push back the Oder-Neisse border. So Kohl never said no to that, and from then on everything went very smoothly between them.

There was one incident which did not go down well with Chancellor Kohl, and that was François Mitterrand's visit to Germany just before unification. But Mitterrand explained it to him. They talked about it several times and Mitterrand said to him: 'You know, I'm going to have to go there because I have been invited by different heads of successive governments. 'But as they kept changing ... So he said: 'Right, I'm going to have to go there.' It was in 1989, during the French Presidency. So it is true that it did not go well in West Germany, but Kohl never actually said to Mitterrand: 'Listen, you are causing me a great deal of embarrassment. I would ask you not to do it.' So there you are, that was one episode ...

But as far as Franco-German relations were concerned, the issues around unification, as far as I could see — and I was after all present at all their talks — relations were always very trusting and very close. Contrary to what may have been said or written about it, there was never any horse-trading here or there between Economic and Monetary Union and German unification, ever. In fact there was a German researcher called Tilo Schabert who went and looked in the Élysée archives, I mean he had read the notes, the minutes of the talks, the notes which used to be made, and he gave a true and complete picture of it all. Well, of course that was an important moment.

It had a major effect on the French Presidency. At the Strasbourg European Council which rounded off the French Presidency, the second French Presidency, François Mitterrand's, of the European Community, there were three subjects, two of which were of major importance: conditions on the borders, in other words the untouchability and inviolability of Germany's eastern borders as a condition of unification, meaning that Germany had to accept the international conditions, that was the first thing. It wasn't actually discussed in plenary session. It was discussed in private session after dinner on the first evening, because the texts were there. And the big topic was the launching of the intergovernmental conference on Economic and Monetary Union, the setting of a date. And then the social charter, because Mitterrand got the social charter he had wanted since he had been President of the Republic adopted. As well as the Council of Europe's social charter, he wanted the European Union to have a social charter. So that was it, the Strasbourg European Council was mainly about Economic and Monetary Union.

4. The road to Economic and Monetary Union (EMU)

[Frédéric Clavert] In 1989 the Delors report was published. A working party was then set up for senior European officials but also people from the Ministries of Finance and Foreign Affairs, a working party which you led and which was called the Guigou group. Why was that group set up and for what purpose? And why were you chosen to chair it?

[Élisabeth Guigou] Well, that group was set up at the end of July 1989, in other words after the Madrid European Council which adopted the Delors report. The Delors report set out very specifically everything that needed to be done to get to Economic and Monetary Union. It described the three stages, and officially took note that the European Central Bank had to be independent. And at the Madrid European Council, despite opposition from Mrs Thatcher and thanks to the understanding between Gonzalez, Mitterrand and Kohl, the Delors report was adopted. But as soon as the French Presidency began, several countries, and especially Germany, said: 'Right, well, we've adopted the Delors report. But we need to take our time now. We need to do some more work on it. The Delors report sets out the main guidelines, but there need to be preparatory talks before we put forward a date for the intergovernmental conference.' I told Mitterrand very quickly in notes and face to face: 'Either we set a definite

date for the intergovernmental conference during your Presidency, which means at the Strasbourg European Council, or it will be postponed indefinitely and everyone will forget about it, they will shove the Delors report in a drawer.’ Just as the Werner report 30 years earlier had been shoved in a drawer. Mitterrand agreed, so we decided that setting the date for the intergovernmental conference would be the main thing to be decided at the Strasbourg European Council. And when I say ‘we’ I mean the President, Dumas, Bérégovoy, and the people working with them.

So in July we started thinking about how we could make sure that the decision would be accepted and that things would go as smoothly as possible. And that was when the Germans, especially, with whom everything had gone like a dream up till then, started saying ... and then Kohl himself, in his talks with Mitterrand, started skirting round the subject, saying: ‘You know, there need to be lengthy further discussions, it’s all very complicated. We have to make a success of Economic and Monetary Union.’ So we came round to the idea that these further discussions would have to be held and held quickly, even though, to our way of thinking, they were pointless. The Delors report said exactly what needed to be done. So after some brainstorming which I led with Jean-Claude Trichet, who was at the Treasury at the time, and Pierre de Boissieu, who took the lead on European affairs at the Quai d’Orsay, they made a proposal to their respective ministers to set up a working party. And the two ministers suggested to the President that I should chair it, so there it was. Because de facto, for France, it would be Trichet and de Boissieu. Neither of them could have chaired it because the ministries would not have agreed to it in practice. Anyway, I was working with them so that was that. The two ministers made that suggestion to the President, who accepted it, and we did those ten pieces of work with the Guigou group.

Well, what did ... To be honest, it didn’t produce much more than the Delors report, except that it was the first time we had assembled all the Treasury directors from all the countries and the European affairs directors from the Foreign Ministries, who often used to just sit and stare each other down. So that was an achievement in itself. It has never actually happened again since. The only thing we did over and above what the Delors report did was to define the aims of Economic and Monetary Union and to say, in what was later to become Article 2 of the treaty — though negotiating that was very tough — that it was certainly price and currency stability, of course, but that it was also the concern for growth and employment. And obviously France was committed to that, as were Spain, Portugal and all the countries which were less naturally inclined to be sticklers for public finances being in balance, and which needed to catch up with the level of development of the other Member States of the Union. And as you see, it’s a discussion which is still going on since, despite what the Treaty says, the Central Bank has staked out the whole field and there is no such thing as economic government. It’s a discussion which is still relevant.

So, anyway, the group met for the first time at the beginning of September 1989. We worked very hard. We used to go to Brussels twice a week and we would get back to Paris at dawn. We really worked extremely hard and we managed to get the report accepted. As my vice-chairman I had gone for Tommaso Padoa-Schioppa, who did wonders in that group; he’d worked with Delors, he’s a veteran ... until just recently he was Italy’s Finance Minister, and he was also at the European Central Bank. And we got the report accepted, by the Ministers for Finance to begin with, then in the Ecofin Council, then the Foreign Ministers’ Council, and then by the European Council, and that was it. And Mitterrand was able to say to Kohl: ‘There you are, the further preparatory discussions you wanted are over. So I am going to ask for a date to be set. And to give us a bit of breathing space, I won’t ask for it to be at the beginning of next year, but at the end of the year, in Rome in fact, that would fit very well.’ And that’s how it was done, not without difficulty, because Kohl — who wasn’t hesitant about it himself: he had given Mitterrand his word in Évian in June 1988. And Kohl himself had no hesitations about it but he was under pressure at home from business circles, industry, the bankers at the Central Bank who didn’t want it to happen, the right wing of his coalition. That was a lot to be dealing with. For

him, if he had been able to put that off, it would have been easier. But at the same time he was saying: ‘We need to make a political union of Europe.’ He was a staunch European. ‘Before there can be a political union of Europe, there has to be a single currency, given the history of European integration. So I know it’s unavoidable.’ Then finally, at the Strasbourg European Council, he said yes. But Mitterrand did have to say to Genscher, who had come to see him on Kohl’s instructions a few days before the European Council, Mitterrand did have to say to Genscher: ‘Do please tell the Chancellor that I will ask the question, and if he says no it will mean an open crisis between France and Germany. I will deplore it and it will be the first time for years, but I will not yield on that point.’

[Frédéric Clavert] Still on Economic and Monetary Union, and particularly on the Delors report as well, Jacques de Larosière mentioned the tension there was with the Treasury when the Delors report was published. Did you sense that tension in the Guigou group?

[Élisabeth Guigou] No, because that was behind us. But certainly in France the idea of the European Central Bank being independent was not well received. It wasn’t easy. It wasn’t our tradition, nor that of the British either. The Treasury takes precedence over the Central Bank, you see. When I myself was a junior administrator in the Treasury, I saw the Governor of the Bank of France in the Head of Treasury’s office. That was how it was. So it wasn’t something that could be done easily. But anyway, once the right decision had been taken, after that ...

No, what I noted later during the move towards the single currency is that on several occasions the Ministry of Finance tried to push through the idea of a common currency, not a single currency. That was a British idea which was supposed to get the national currencies to co-exist with a European currency. Of course, it wouldn’t have worked, because everyone knows bad money drives out good money. Which would have been the bad one? Well, it was a short-lived idea, but one the Treasury did a lot of work on and which Pierre Bérégovoy did give a hearing to for a time. He had become Minister for Finance.

Then, at the Treasury, there was also a very legitimate concern, which was that the Delors report said that the first stage was the complete liberalisation of capital movements, at a time when the franc was still in a weak position or at any rate in a less strong position than the Deutschmark; there could very well have been a flight of capital. So what Mitterrand asked for in Évian on 3 June 1988 at the first meeting he had with Kohl, once Mitterrand had been re-elected, what he said to him was: ‘Listen, what I need is this: you are President of the European Union, the European Community. You are going to be presiding over the Hanover European Council; I know you are going to ask Jacques Delors to produce a report. That’s great. So I’m asking you now to say yes to Economic and Monetary Union and yes to harmonisation of the taxation on savings, which is a condition for me,’ said Mitterrand, ‘to agree to the liberalisation of capital movements, because if there is no harmonisation of the taxation on savings, then all the savings will go to Luxembourg.’ Kohl agreed. He also ... Jacques Delors tabled a directive which Kohl put forward, which was unfortunately — because it was voted on by unanimity — rejected by Luxembourg, with the United Kingdom hiding in the background.

[Frédéric Clavert] How did the intergovernmental conferences and then the European summit in Maastricht go?

[Élisabeth Guigou] Well, in my case, I had the good luck to be the back-up but I did go to the two intergovernmental conferences because, once the date had been set (it was set in Strasbourg) for the conference on Economic and Monetary Union, Kohl said: ‘But you see I can’t just do that. We also have to make progress towards political union.’ So the two of them agreed in Strasbourg to mandate their ministers and their associates to work on an initiative. And that was the initiative which in 1990, during the Irish Presidency, led to the setting of a date for a second intergovernmental conference on political union, which was to open at the same time as the conference on Monetary Union in Rome in December 1990. So there were two

intergovernmental conferences. The Maastricht Treaty was the outcome of those two conferences, which separately negotiated the parts of the Treaty: monetary union at one and everything else at the second conference.

Mitterrand's feeling was that at the conference on Monetary Union there should not just be the Finance Minister and his departments. He didn't trust Finance at all. He thought the Foreign Ministry should be there to keep an eye on things. As it was unthinkable that Roland Dumas — Bérégovoy would not have agreed to it ... So he said: 'All right, Élisabeth Guigou, she is the de jure number two of Roland Dumas at the conference on Political Union, she will also go to the conference on Monetary Union.' All that happened after a bargaining session he held in his office. Well, anyway ... and he didn't really trust the Finance Ministry, particularly on the common currency/single currency business, he thought it would put a spanner in the works, that was it. And he had also done his best to persuade his colleagues to do the same thing, but he didn't succeed. Except for Portugal, which adopted our system.

So I followed the two rounds of negotiations and what happened, the nub of the matter ... Pierre Bérégovoy managed things very well with his German colleague. They got on quite well. The discussions over the convergence criteria were very heavy going, you might say, especially over the respective roles of the Central Bank and Europe's political authorities. It was agreed that the Central Bank should be independent. Of course, it was a political prerequisite at the outset of the conference. Just how far did the Central Bank's prerogatives extend? There was a very animated, very political discussion on the theme of 'Who is responsible for the level of the European currency on the international currency market?' Although it was agreed that the European Central Bank was free to set interest rates to keep control of the single currency's internal position, it was by no means clear after that that it should do the same on the international currency market. So all that part, the economic union part of the Treaty, was very complicated to draft. We ended up saying — and there was a difficult discussion on that with the Germans which we in the end won, because we were able to demonstrate to the Germans that what was being proposed to them was the system they already had in Germany; in other words, when it came to setting the major economic and financial targets, it was the government which was responsible, and the Central Bank did its work quite independently within that wider framework. And that is what it says in the Maastricht Treaty. And as for the European Union's external foreign exchange policy, it was the Ecofin Council which took the decisions, the Ecofin Council under the authority of the European Council, and then the Central Bank would put the decisions into effect.

What happened subsequently is that neither the European Council nor, for that matter, the Ecofin Council ever really grasped hold of those prerogatives they were given by the Maastricht Treaty. Why? Because the presidency changes every six months, because they have other fish to fry, because there are, of course ... When it came to power the situation was very different. On the one hand there was the Central Bank, which is a federal institution with supranational power, and on the other there was an economic union which works in an intergovernmental way. So even though we had fought hard, I had fought and won the tussle with Pierre Bérégovoy to make sure that in the Treaty on Economic and Monetary Union, the Commission ... there would be Community procedures, in other words a Commission proposal and a right of scrutiny for the European Parliament. So we weren't entirely in intergovernmental mode. But in reality, in the Ecofin Council and afterwards in the European Council, it was an intergovernmental operation. We took those decisions by unanimous vote, that was it. So of course there was an institutional imbalance from the start, coupled with a blatant lack of political will on the part of the governments, and for that matter of the successive Presidents of the European Council, who never seized hold of those prerogatives. So our hope was that if there was a President of the European Union, in fact, plus a President of the Eurogroup, who would be there for five years, if the Lisbon Treaty was adopted, we could at least see the Maastricht Treaty being implemented at that level, at the level of what could potentially

represent not a counterweight or a pendant but an economic power similar to that of the Central Bank.

So that was what the main discussions were about. When we got to Maastricht, the British issue had been settled. We had known from the outset that Mrs Thatcher, and then it was John Major, didn't want to hear any talk of a single currency. And Pierre Bérégovoy, his German opposite number. But Pierre Bérégovoy played a very important part there. He succeeded because he had very good relations with the British. He himself had always had a somewhat British view of Europe. So he managed to get the British to understand and agree that of course they couldn't be forced to go into the single currency, but that they on their side couldn't stop others doing it. And that was agreed even before the Maastricht European Council, between the Finance Ministers. So we had the agreement on 'opting out' of the currency ready to hand. And Maastricht opened with that.

The only point still being debated was the timetable. All there was in the Delors report was a date. It was 1 July 1994, for the full liberalisation of capital movements. The setting up of stage two, with the European Monetary Institute, which was to foreshadow the Central Bank. But the date for the transition from stage two to stage three was not specified. Neither was the date for the end of stage three. And Mitterrand's master stroke was to propose, to everyone's surprise, that we should not just set a date for the transition from stage two to stage three, which was 1997, but also a cut-off date for the move to the single currency. He did that because he had consulted his ministers a month before the Maastricht European Council. At that consultation I had said: 'If you don't set a cut-off date, there again we'll be putting it off indefinitely.' I was the only one who insisted on that point. And then he had said no more about it, and I thought that in his mind, as neither Dumas nor Bérégovoy were ... Bérégovoy didn't have a good feeling about it, he could see difficulties coming up. Dumas as well. So I thought Mitterrand had dropped that idea. He mentioned it to me again shortly before. I said to him: 'Honestly, we must try.' But he didn't say to me: 'I'll do it.' So, to everyone's surprise, when he arrived for the session — because he had simply informed Andreotti, though I think he just had a quiet word in his ear, like that. And he had also informed Kohl, in a strictly private talk between just the two of them. And he took everyone by surprise and got them to agree to it by demonstrating — we had produced a mass of notes to show that we would at any rate be ready for the transition to stage three — that we could be ready in 1997 and there could be further deadlines if necessary. So you see, he had given a lot of thought to that idea of a transition date. But I myself am quite sure that if he hadn't had that date of the end of 1999, we still wouldn't have a single currency in Europe today. So that was how the discussions went.

In the conference on political union, it was more, how can I put it, there were fewer bones of contention. What there was instead was proposals that were tacked on. France was in on the initiative as regards what was to become the second and third pillars, i.e. foreign policy and police and judicial cooperation. Germany had the initiative, but we were in agreement on strengthening the powers of the European Parliament. France and Germany were together on extending the scope of majority voting. And it was Felipe Gonzalez who brought in the subject of European citizenship, who insisted that following on from Erasmus and so on, we should give voting rights to foreigners, well, to Europeans at least, in local and European elections. So those were the things, if you like, that were tacked on. All that against a background of immense upheavals in Europe, of course, which did, though, make the need for stronger political union even greater. What was going on in eastern Europe showed that ... That was the climate at the time. We had to strengthen European political union.

Then there was a third subject that was very important at the Maastricht European Council, and that was the social charter. Because for Mitterrand that had been his real obsession since he had been President of the Republic. So he had had a first social charter adopted in Strasbourg, but he wanted it to be included in the Maastricht Treaty. Everyone agreed except the United Kingdom, Denmark, etc. So that was where, in Maastricht, following the model which had been adopted

for Economic and Monetary Union, and seeing that we weren't managing to do it, Delors proposed an opt-out on the social charter. The social charter which was later to become the Charter of Fundamental Rights. That's a whole story in itself, too, of course.

[Frédéric Clavert] François Mitterrand decided to call a referendum on the Maastricht Treaty. Were you in agreement with that decision? And how did the campaign go?

[Élisabeth Guigou] Well, I could see that Europe was being built at a distance from its peoples — because that was an issue I was very concerned about — and I could sense the resentment in my work on the ground. I had been a candidate in the regional elections in 1992, and I had said to the President: 'To be frank, people don't want Europe.' What's more, I was elected in the south-east that time and people there were very anti-European. So when he consulted his ministers, yes, I was the only one who said to him: 'There has to be a referendum because we can't go on building Europe without involving its peoples and that Treaty is so important, it is such an unprecedented leap towards federalism that we must. It's risky, but we must take that risk.' I could see ... If I had known everything I know now, I would probably not have talked to him like that, but at the time my job was European affairs and I could see the benefits of bringing Europe closer to its citizens. And I thought that was the only way to do it. Now the other ministers, especially Bérégovoy and Dumas, who had more political experience than I did — experience of domestic politics at any rate — warned him of the risks. Mitterrand, as always, listened. He made up his own mind. Then he didn't talk about it to his ministers. He didn't announce his decision. So he announced his decision the day after the Danish 'No' vote. A kind of ... Picking up of the gauntlet, I suppose. But I think he had taken his decision before that. So he did it for European reasons, and for reasons of domestic politics as well, because he knew very well that the 1993 elections were going to be hard. And it was also a way, to begin with, of putting Europe (which used to divide the Right far more than the Left) at the heart of the discussion. And he himself, as all the polls were very favourable at the time, didn't realise how hard it was going to be.

So I had decided, because I could see, in the preparations for the campaign, in the talks we had with the president, around the president, around Pierre Bérégovoy, the Prime Minister, that is, I could see how difficult the campaign would be, so I had argued for a campaign on the ground. And Jack Lang argued for a very flashy campaign on television. What I said was: 'We can do that, but be careful because the gap is so wide that it could well be counter-productive. At any rate we also need a campaign on the ground.' And then I remember one day at a meeting Mitterrand had said, with a touch of irony: 'So you want to head out to the sticks, do you?' I said: 'Yes, that's where the battle will be lost or won.' So I decided to set off straight away, as soon as the decision was announced. I spent the summer campaigning. I wasn't able to set off at once (at any rate not before 15 July) because there was a mammoth lorry drivers' strike which blocked every major road in France, and the Prime Minister forbade me to go to the provinces. It was very touch-and-go. It was very divisive. It was ... Well, anyway, the division was resolved. On 17 July, I remember it very well, I started the campaign by going to Philippe de Villiers' territory — he was the main opponent at the time, he and Philippe Séguin. So I went down there to the Vendée, to La Roche-sur-Yon, and to Saint-Hilaire-de-Riez. People were on their holidays. It's a beach. I decided to go where the people were, to do the rounds of the camp sites, the beaches, the towns where the people were at the time, and to the towns which had suffered a great deal from the industrial restructuring exercises which had been ordered when the iron and steel industry and mining were being restructured all over Europe. I went to Le Creusot, to Longwy, in other words to those towns which had suffered terribly. So I went on a campaign, you see, and a very active one. I have to say that I felt very alone. My colleagues had gone on holiday as though nothing was happening. And towards the end of August I got some back-up from Martine Aubry and Bernard Kouchner for a few joint rallies. Which was very welcome.

Actually I had a set-to with Lionel Jospin at the time because he had said: 'We have to say No to No.' Well, I thought that was pretty lukewarm by way of ... And we had a long talk. He told me it was because he couldn't stomach the way European affairs were being handled, that they were never talked about it in Cabinet — which was true, it was rare. The President took his decisions on his own with Dumas, Bérégovoy and me. So I could understand why Jospin was unhappy, but that didn't justify what he was doing. We needed to win the referendum, and that was that. Well, all in all, Chirac came out in favour of a Yes vote, which was obviously important, very important in fact, in the face of the opposition from Séguin.

And the President, in particular, got involved. He had asked me to come and see him in Latche on 15 August, because I was having messages sent to him to say that things were not going well, and he could also see the press. So he said to me: 'Come and talk to me about it.' So I went and spent a day, 16 August, in Latche. And he asked me how I thought things were going. And I said to him: 'Well ...' — he was already ill then — 'You need to get involved personally, otherwise it won't go through.' I used to see the letters that came in — and, what's more, the polls took a disastrous turn towards the end of August, but they were already falling — but I could see from the letters I was sent and the reactions I got on the ground ... It was very violent when I went into rural areas. There were tough demonstrations, very tough ones, and violent. So he decided to get involved. I think he was the one who ... I think it was the famous broadcast with Philippe Séguin which meant that we just scraped through, but we did in the end get the treaty through.

5. The European Union in crisis

[Frédéric Clavert] If you don't mind, one closing question: the European constitutional treaty was rejected by referendum in 2005, and the Lisbon Treaty is having a hard time as well. What way can you see out of this crisis?

[Élisabeth Guigou] To start with, I think we made a great many mistakes in the way we presented the European constitutional treaty. I think we had had 15 years ... It's true that we needed to get out of the institutional deadlock we had been in since the Amsterdam Treaty. It was in fact because Maastricht had passed the question of strengthening the institutions with an eye to future enlargement on to Amsterdam. Amsterdam had passed it on to Nice. Nice came up with what was, as far as that went, a disastrous treaty. Nice was good on the Charter of Fundamental Rights, and on a few other things. But as far as the institutional level went, it was really awful. And then after that Nice passed it on to the convention.

I think it's very hard to get people as a whole interested in the institutions. It's arcane. People as such are interested in the meaning of Europe: why are we building a united Europe? The institutions are a very important instrument but just one instrument among others. And I think we were wrong to confuse the end and the means, in other words to put the new draft constitutional treaty forward as Europe as a political entity. A political Europe, for ordinary people, means: 'What does Europe do? What voice does it have in the world? How are we going to avoid being completely marginalised?' That's what it is. And in a context where the deeper meaning of European integration was no longer obvious, as it had been after the Second World War and through the whole of the 20th century, when all's said and done. It meant establishing peace among the countries of Europe, peace, prosperity, democracy, because even at the beginning of the 1970s there were dictatorships in Europe, so it was obvious, it was something the people understood. So they weren't actually interested in the detailed mechanics. Once all that had been more or less settled, what was the essence, the ultimate objective of European integration? I think that all of us collectively were wrong to make the institutions the end purpose of the ... I think it was a drastic mistake. In fact I never talked about a constitution. I talked about a draft constitutional treaty. Because there were ambiguities. When language is ambiguous, there's always a price to pay later. I'm profoundly European, even so, but like

Jacques Delors I think the European Union is a new kind of political entity, and it cannot be a federation in the traditional sense. It is a federation of nation states and that is what we must get people to understand and see.

So we have used long words, we have been too bombastic, we have further aggravated the divide between the EU and ordinary people, a separation I was already aware of, as I have told you, as far back as the early 1990s. That is actually why I decided to set up the 'Europartenaies' association, because it seemed to me that besides the governmental work, or parliamentary work later, which we had to do, it was vital to do in-depth work with ordinary citizens, to get them involved and help them understand Europe, to start with, and then to get citizens more involved in European integration. So I set up Europartenaies in 1994. It still exists, in fact. I chair it jointly with Jean-Noël Jeanneney. So there you are. I don't think we have succeeded in bridging that gap which has opened up between ordinary citizens and Europe, largely because the European project has broken down.

So we clearly have to adopt the Lisbon Treaty. I think we have done the right thing, readjusting the way we talk, even if the Lisbon Treaty is, of course, on the institutional level, very similar to the constitutional treaty, and that is a good thing. But we were right to reposition the treaty, so to speak, so that it is what it is. And now there is one thing left to do, and I hope this treaty will be adopted and that we will find a way out of the Irish problem. After all, we do now have a sizeable majority of ratifications, including ratification by referendum in Spain. There is no real opposition, because, as we have seen, the much talked-about Plan B has turned out not to exist. Everyone, including the people who voted No, agrees that we do nevertheless need something else at the institutional level. The main problem, though, which I think explains why citizens are turning their backs on Europe as they have, is still there. That is, either we find a way collectively to give a fresh, deep-seated meaning to the building of a united Europe — what does it mean to build a united Europe in the 21st century? What does it mean? In an entirely different context — or it will no longer be Europe which makes the history of the world. It's moved somewhere else. It's Asia, or the United States. But there's a great deal more ... So there is that profound sense of anxiety among Europeans. You see it in the economic sphere. You see it in politics. And either we succeed in showing that — and I hope recent developments will help us on this, because the international financial crisis makes it very clear that we need focuses of stability. Luckily we have the euro to protect us ... We need focuses of stability and a European voice which argues for a set of rules ... for what the European model is, which is, of course, the free market economy, obviously, but also regulations, common policies and so on. So, if you like, I ...

But there has to be the political will to do it. And I think that we really are now at a crucial moment for Europe, where we in Europe have to grasp that today we either decide that the European Union has its own voice in the world — not against other powers but its own voice; just look how badly it's needed in Georgia, for example, to counter the folly of those two blocs which are once again ... So either the European Union succeeds in showing that ... It has some trump cards in its hand when it comes to that. We are the largest donors of development aid. But we do nothing or very little with them at the political level. We could have a stronger voice in the Middle East. We could have a stronger voice in all the major conflicts around the world, for that matter. And we don't have one because we go on being very self-centred, very much contemplating our own Euro-navels, that's what it is. And because it cuts across traditions which are very different from one European country to another. So I think that with the growing awareness that the worldwide approach is now with us, that globalisation is inevitable, and that the climate-change issue, the issue of an ageing population in Europe — two major structural reasons for reacting collectively and unitedly — and, lastly, the financial crisis we have been going through, I think there is a window of opportunity for us Europeans there which we must not miss. And that is something people relate to.

I still go on holding meetings, you know. Wherever I go, every time I have a public meeting, at any rate, I talk about Europe. Even if it doesn't come up spontaneously in the Socialist Party's groups, I talk about it. And I pick and choose. I always choose the most European-minded ones. So I really see how they react. When we talk about what I have just been saying to you, everybody agrees that we need Europe and that, need I add, we need to make sacrifices at home to get there, as Mitterrand and Kohl managed to do, in other words not just to think as French people concerned only with France. We French defend our ideas, and it's quite normal for the Germans and the Italians to do the same. But at the same time it's absolutely essential to understand other people's points of view as well. So there you are, I think that's what we still have to do. And if we don't do that work, even if we adopt the Lisbon Treaty, the European Union will go on being marginalised in the end. We will go on ... The wheels go on turning. They go on. I must say that in Brussels they say: 'Well, there we are, in the end the wheels have gone on turning.' Yes, it's true, the wheels are turning, but the heart isn't there any more, the European spirit has lost a lot of its hold, so much so that we are seeing vested national interests gaining the upper hand. And I'm very worried because I think that if we carry on like this, even if we adopt the Lisbon Treaty, if we carry on like this, the common policies we have at the moment will be at risk. I'm not even talking about the common foreign policy or those policies which have yet to be put together. I'm talking about the policies we have now. I think that self-centred nationalism will gain the upper hand. We can actually see it happening in the European budget: we can't decide on an increase in the budget even though we have gone up from 15 to 27 Member States. We have the same budget as we had when there were 15 of us. That's obviously mad. We can't free up any resources for new policies, for research.

So either we come to a realisation of that collectively — and the Lisbon Treaty can help us there because with a President of the European Union, with a minister or a High Representative for Foreign Affairs, it will obviously be a plus ... But even the institutions aren't enough. And if, on top of that, we don't have the political will, and if, behind the determination of our leaders, our members of parliament, we don't succeed in making people understand why we are doing it all, I think we will be off to a bad start and the times are fairly serious, to tell it how it is, for Europe. I think we are at a crossroads. And we need to make a real, real, real leap forward. So I hope that the new leaders appointed from 2009 onwards, once the Lisbon Treaty has been adopted, will be able to do that. We'll have to choose them carefully. Choosing those people — the President of the Commission, the President of the European Council and the High Representative — is going to be crucially important. We're soon going to be locked in. Either we put in people who will count, as Delors was able to do, and who will drive things forward, or we don't, and then ... I think that there is something very important at stake with this treaty and those appointments and later ones ... Well, I think, for example, that the current French Presidency, on the financial crisis, for instance, could have put forward more initiatives to get European proposals on the table at the world level. It is ... I think we could have pushed a lot more for the common foreign policy. And a great many other things too. On social Europe, because it's the first time a French Presidency, the first time that a French Presidency has no proposal to put forward to get progress towards a social Europe. It's a pity, to put it mildly.

Well, there you are, but in spite of everything I am still confident, because I think that people, even if they are ... even if they don't really understand what Europe is, even if there are temptations to go populist, to withdraw into selfishness, I think there is still a deep wisdom there, and that people realise that in today's world the way to make our weight felt is through Europe. Otherwise we will count for nothing: with just 1 % of the world's population, we French can't aspire to influence the destiny of the world with that. We're better off being 500 million.

[Frédéric Clavert] Thank you.