

Speech by Federal Chancellor Angela Merkel in London – Thursday 27 February 2014

Mr Speaker, Lord Speaker, Prime Minister, Members of Parliament, Ladies and gentlemen,

First of all, I would like to thank both Houses of Parliament most sincerely for allowing me to stand before you today. I am aware of the very great honour bestowed on me: I am the third representative of the Federal Republic of Germany, following Federal Chancellor Willy Brandt in 1970 and German Federal President Richard von Weizsäcker in 1986, to speak to you

I regard this invitation as an expression of the close relations between our countries. Not only the governments but also the people of our two countries are linked by a close partnership.

I shall never forget my first visit to London in the spring of 1990, very soon after the fall of the Berlin Wall and quite a few months before Germany's reunification. My husband had been invited here by fellow scientists and I entered the Royal Institution for the very first time in my life.

We walked through Hyde Park looking for Speakers' Corner, which – especially for us as East Germans – was legendary, the very symbol of free speech. I hope that is not an insult to you, the members of the British Parliament.

Afterwards, we went to a concert in the Royal Albert Hall. We were in a country in which people were rejoicing with us Germans about the collapse of socialism in Central and Eastern Europe and the fall of the Berlin Wall. It was a terrific trip.

I have been told many times during the last few days that there are very special expectations of my speech here today. Supposedly, or so I have heard, some expect my speech to pave the way for a fundamental reform of the European architecture which will satisfy all kinds of alleged or actual British wishes. I am afraid they are in for a disappointment.

I have also heard that others are expecting the exact opposite and are hoping that I will deliver the clear and simple message here in London that the rest of Europe is not prepared to pay almost any price to keep Britain in the European Union. I am afraid these hopes will be dashed, too.

If what I have been told is true, then it will be obvious to everyone that I find myself caught between the devil and the deep blue sea. That, ladies and gentlemen, is not a pleasant position to be in – at least not for a German Head of Government.

Nevertheless, that cannot in any way spoil my pleasure at being here today.

On the contrary, my pleasure at being here is great because I simply want to share my thoughts with you: my thoughts about Europe, its promises and weaknesses, my thoughts on Germany and Britain in this Europe.

And I do so at a time in which many decisions will be made on how we as Germans, Britons, French or Poles, as Italians and all the other European nations and peoples can assert our values and interests in the world.

As, naturally, I can express my thoughts better in my native language, I hope you will forgive me for delivering the rest of my speech in German.

Ladies and gentlemen, today I am addressing you, the representatives of an institution which is the cradle of modern parliamentary democracy. This Parliament has made a key contribution to the development of the rule of law and democracy in Europe and the world.

As someone who lived for 35 years under the yoke of dictatorship in the GDR, denied my freedom, I have a special affinity with the unconditional desire for freedom and democracy which this Parliament and this country embody like few others.

Although we take the close and friendly relations among European countries for granted today, 200, 100 or even 70 years ago they were still absolutely inconceivable. For hundreds of years, relations among European countries were marked by rivalry, changing alliances and recurring rounds of horrendous bloodshed. The year of commemoration 2014 in particular prompts us to remember together the events which dramatically altered the face of Europe.

Commemoration of the outbreak of the First World War one hundred years ago is the focus of public attention throughout Europe this year. It was the first great catastrophe of the 20th century, which was soon followed by a second: the start of the Second World War 75 years ago and the Shoah, that ultimate betrayal of all civilized values. This year, the United Kingdom is focusing in particular on remembering those who died, the losses and the untold suffering that Germany inflicted on it during these two wars. As German Chancellor, I bow my head before the victims of these terrible wars.

“What would have become of Europe if the people of this country had not put up such courageous resistance, part of the time standing all alone? What would the consequences have been if they had not found the strength to protect their way of life and to keep alive the hopes of all the nations of Europe for a better future in freedom? The United Kingdom has no need to furnish proof of its commitment to Europe and its basic values.”

Ladies and gentlemen, these sentences are quoted from the speech which Federal President Richard von Weizsäcker delivered here to both Houses of Parliament. Yes, it is true and cannot be repeated often enough: the United Kingdom has no need to furnish proof of its commitment to Europe and its basic values.

We Germans can only be thankful to our European partners, and to the United Kingdom in particular, for placing their faith once more in a democratic Germany in the wake of the

horrors of the two World Wars. I would also like to take this opportunity to thank the 1.7 million British soldiers and their families who have served in Germany to date.

When we look back, European integration – which has brought us peace, freedom and prosperity for more than half a century now – almost seems like a miracle: from the Franco-German friendship to the excellent cooperation among the 28 EU member states in today's European Union.

Yes, it is a miracle and, at the same time, the fruit of a policy designed by foresighted statesmen such as Winston Churchill, Charles de Gaulle and Konrad Adenauer, made possible by their will to bring about reconciliation and their courage to embrace change! It is thanks to them that we live today in a political system in which differences of opinion and conflicts of interest are no longer dealt with through military action but, rather, peacefully through negotiation. It is thanks to them that we live today in a political system in which Europe's destiny is no longer determined through secret diplomacy by just a few. Rather, all 28 member states work together as equal partners and in cooperation with the European institutions to shape Europe – for the good of citizens.

European integration shows that we have learned the lessons from bloody conflicts and a painful history. Together we have changed Europe for the better. Thanks to the peaceful revolution in Central and Eastern Europe, whose 25th anniversary we are celebrating this year, it was possible to overcome further frontiers in Europe. Current events in Ukraine demonstrate how grateful we should be for this good fortune. We stand shoulder to shoulder with people there, and in many other countries, as they struggle to protect justice and freedom.

For me personally, as for millions of people behind the Iron Curtain, the fall of the Berlin Wall in 1989 was a moment of incredible happiness. I learned first-hand: change – change for the better – is possible. We should be guided by that maxim in this year of commemoration. Every political generation has its responsibility; as do we, the politicians of today. Standstill can quickly lead to setbacks. Or in the words of Winston Churchill: "To improve is to change, to be perfect is to change often." I believe we politicians should take this to heart.

Indeed, we need courage to bring about changes for the better just as much today as we did decades ago if we are to continue the success story of European integration. For what is at stake today is no more and no less than whether Europe will be able to assert its values, its interests as well as its economic strength and social model, which have given people prosperity, on a durable basis in the world of the 21st century. Given the strength of the United States, as well as the many emerging economies, that cannot by any means be taken for granted. But precisely that is the task facing political leaders today!

On 25 March 2007, we member states of the European Union pledged in a Berlin Declaration to mark the 50th anniversary of the signing of the Rome Treaties: "Our history reminds us that we must protect this for the good of future generations. For that reason we must always renew the political shape of Europe in keeping with the times." We have to

renew it time and again in keeping with the times so that Europe can continue to fulfil its promise to ensure peace, freedom and prosperity.

I know that many believe that the European Union's peace mission has been accomplished. They believe that in the early post-war years, it was an obvious motive for European integration. Now, many think, this promise is outdated as today a war among European Union member states is – thank goodness! – impossible.

It is true that a war among the European Union's member states is inconceivable today. But let us not forget that the last war on the European continent took place less than a generation ago. The Western Balkans show how clear and present the danger of military conflict remains. Our soldiers and police officers are still serving there today. Without a European perspective for these countries, a future in peace would still be a long way off.

And we have to continue to stand up resolutely against extremism and inhumanity, which are still present in today's Europe. We have to continue to condemn and fight hate, violence and terrorism of any kind – day after day.

We member states of the European Union have a duty to pass on the lessons we have learned from our history and to help foster peace and the rule of law in our neighbourhood and in the world. This includes enabling others in the world to do more themselves to ensure stability and security in their region and to settle their conflicts as peacefully as possible.

The United Kingdom and Germany are working closely together in this endeavour. We are jointly shouldering responsibility in the world's trouble spots: from Afghanistan to the Horn of Africa and Mali to the Balkans. We are allies within NATO. We are working together to ensure that NATO, as the transatlantic alliance, and the European Security and Defence Policy are better coordinated in future.

For despite the differences of opinion between us and our partners on the other side of the Atlantic, it has always been true to say, and is still true today: we – the United States and Europe – could not wish for better partners. Our relations are of prime importance – and the United Kingdom is an important, if not the most important, anchor in this relationship.

Ladies and gentlemen, we need to renew the political shape of Europe time and again so that Europe can continue to fulfil its second promise, the promise of freedom. Freedom of opinion, freedom of faith, freedom of the press as well as the four freedoms of the single market – the free movement of goods, the free movement of persons, the freedom to provide services and the free movement of payments and capital – these are the key prerequisites for democracy and prosperity, and they belong together!

The Europe without borders is one of the great achievements of European integration. All the member states and all the citizens benefit from it. Be that as it may, if we are to preserve this freedom of movement and ensure that it is still accepted by the citizens, then we must also have the courage to acknowledge adverse developments and try to correct them.

In our European democracies, freedom is secured by the rule of law. In business, too, a reliable legal framework is a prerequisite for enterprise and trade. That is the basis of our single market. Germany and the United Kingdom want to use the strength inherent in this single market to maintain our prosperity through fair and open trade with other regions of the world. Not least in order to ensure that we can in future continue to keep this third promise of Europe, we must always renew the political shape of Europe in keeping with the times. We must constantly remind ourselves that the world is not waiting for Europe. Economic strength and competitiveness must be continually enhanced and renewed.

For a long time we Europeans took it for granted that economic development would, on the whole, be positive. With the single market and the single currency we created an unparalleled success story which opens up new opportunities for us. However, the international financial crisis and the ensuing sovereign debt crisis in the euro area also made it clear that the foundations for growth and prosperity in Europe need to be constantly shored up and worked at.

Let's be honest: the causes of the crisis in the euro area were basically home-grown. Even when economic and monetary union was introduced in the Treaty of Maastricht in 1992, there was a failure to back up monetary union with a strong economic union. As a result, the differences in the competitiveness of the euro states have increased, not decreased. It was possible for some member states to accumulate massive debts for years without being penalised by higher interest or by the sanctions created for this purpose in the Stability and Growth Pact.

I am convinced that, when it comes to tackling both the international financial crisis and the European sovereign debt crisis, it cannot simply be enough just to try to survive them somehow. We must set our sights higher. Our aim must be to come out of the crises stronger than we were at the start, because it is a matter of upholding our values and interests worldwide.

Or, to quote from Richard von Weizsäcker's speech in this House again: "After two world wars the global balance of power has changed drastically. The nations of Europe will only have a history of their own in keeping with their traditions if they proceed together." Almost 30 years have passed since he said that. Since then, the world has changed dramatically.

The Cold War blocs no longer exist. Globalisation and digitisation determine how we live, how we do business and how we work in a way we could never have imagined. But this does not mean that Richard von Weizsäcker's words are invalid. On the contrary. To my mind it makes them even more valid. Translated to the present day, they mean that we in Europe – Germany, the United Kingdom, all of us – will only have a history of our own in the age of globalisation and digitisation that is the 21st century if we move forward together and if we stay together and if, as European nations, we always adhere to two principles in our actions: responsibility and solidarity.

Ladies and gentlemen, today the world is home to more than seven billion people. We 500 million Europeans make up a mere seven percent of the world's population. We have to face up to the major tasks of our age together. I am convinced that any of us acting alone

would achieve less than if we all act together: less in terms of defending our common values and less in terms of the prosperity of our citizens in the global competition.

But we can only do this if we work together to make the European Union better. As German Chancellor, I regard the United Kingdom as an important ally in this. The European Union must become stronger, more stable and more competitive than it is today. It needs to combine its efforts and concentrate on the major challenges. A strong European Union needs strong European institutions and strong member states which unite in self-confidently upholding our common interests in the world.

Despite Europe's 25 percent share of global economic output, the World Trade Organization estimates that over the next five years 90 percent of growth will be generated outside Europe. So to keep the European promise of prosperity in future, it will be vital to benefit from growth opportunities in other parts of the world. To that end, we must dismantle further barriers to trade.

In particular, the planned free trade agreement between the European Union and the United States of America can make a significant contribution to growth and employment in Europe. From the outset the United Kingdom and Germany have been among the most vocal proponents of such an agreement. We will continue to push for rapid negotiations and an ambitious outcome which – I deliberately mention this – takes account of data protection issues.

We must make even more intensive use of the European Union's clout to push our common interests, for example with regard to international climate protection. No one EU member state alone would have sufficient weight to stand fast in the international negotiations. A stable, competitive European Union can combine economic success and social responsibility in a sustainable way. To this end, the euro states must back up monetary union with a strong economic union with a clearly-defined and sustainable architecture.

Only through closer and more binding coordination of economic policy can we prevent ourselves in the long term from getting into another severe crisis in the euro area. In my view, this requires that we adapt the treaty basis for economic and monetary union quickly in a limited and targeted way in order to ensure lasting stability for monetary union.

All member states of the European Union should ensure that all their European policies – whether energy and climate policy, the shaping of the single market or the management of external trade relations – be measured in terms of whether or not they help enhance Europe's economic strength.

The results of European policy should improve the conditions for initiative, innovation, enterprise and jobs. To that end we must continue to cut superfluous red tape at European level which is hampering our businesses, in Germany and in the United Kingdom. In this context we must always measure ourselves with the world's best. European regulations – and national regulations too – must be reviewed regularly. If they are superfluous, they must be abolished.

That is why we, the United Kingdom and Germany, have worked together to make the European Commission take the subject of better regulation seriously at last and begin to act. The European Commission must only regulate matters which cannot be adequately regulated by the member states themselves. More attention needs to be paid to the subsidiarity principle in Europe. In this spirit, the United Kingdom and Germany, together with our partners in Europe, should set priorities for the future Commission's work.

Happily we can say that we are no longer at the very beginning of the road; we have already made some progress towards these goals. For instance the concept of help in exchange for structural reform and budget consolidation is starting to have an effect in the euro area. In many countries unit labour costs are falling. In some countries, for the first time in a long time we are again seeing current account surpluses.

It was and remains a matter of urgency to create a sound, responsible financial system. Never again should taxpayers have to pay for the mistakes made by banks and financial institutions. The financial sector, too, has a task for the common weal. I say this quite deliberately here in London, because as a banking centre London is very important for the European single capital market and thus for the economies of all European countries.

In the negotiations for the next European Union budget, Germany and the United Kingdom together helped ensure that, at a time when the member states are trying to make substantial savings, expenditure at European level too is concentrated on necessities and on tasks to make Europe fit for the future. In this context, investment in science and research is a priority. If we are not among the international leaders in discoveries and developments in the 21st century, we will cede some of our prosperity. In many areas, we are today no longer among the best in the world – I am thinking here of the internet economy, for example. We need to catch up, and we will only succeed in doing so if we Europeans pool our resources and work together.

Of one thing I am convinced: if in the future we clearly formulate the political will to make changes, we will also find the necessary legal avenues to attain our goals. Only a strong and competitive European Union will fulfil its promise of prosperity for this and for future generations and will win back the confidence of its citizens.

Ladies and gentlemen, we Germans will never forget that our country's prosperous development is indivisible from the history of the European Union.

We Germans will never forget that we owe our country's prosperous development to our European partners' willingness to forgive and reconcile.

We Germans are aware of our responsibility for a bright future for the Union. We will therefore do our utmost to ensure that the European Union can continue to keep its promise of peace, freedom and prosperity in future. Whatever we do or fail to do now to renew the European Union's political shape in keeping with the times will decide Europe's future.

There may be times when our ideas of the European Union's future development differ in the detail. But we, Germany and the United Kingdom, share a common goal: a strong, competitive European Union which combines its efforts.

United and determined, we can defend our European economic and social model in the world.

United and determined, we can bring our values and interests to bear in the world.

United and determined, we can serve as a model for other regions of the world.

This – and nothing less than this – should be our common goal. I regard it as the task for our generation!

In order to attain this goal, we need a strong United Kingdom with a strong voice inside the European Union. If we have that, we will be able to make the necessary changes – for the benefit of all.

In German, as in English, we have the saying “all good things come in threes”. So, to conclude, I would like to quote for a third time from Richard von Weizsäcker's speech to these two Houses at the outset of the United Kingdom's European presidency.

He said: “Europe will not move forward by leaps and bounds but step by step. [...] We Germans will take [...] these steps with the United Kingdom, and we will do so happily. May I wish you and all of us on this path the best of luck.”

What was true almost 30 years ago remains true today. For the sake of the future of the United Kingdom and Germany. For the sake of the success of the European Union, and for the good of future generations.

Thank you.