

## Toespraak EP-voorzitter dhr. Martin Schulz

"It is a great honour for me to speak to you today for the first time as President of the European Parliament. However, my new office has not changed me or my preference for plain speaking.

From the outset, the European Parliament has been categorical in its opposition to the revision of the Treaties, because it is simply not necessary and because we feared that a debate on the issue would open up a Pandora's box of possibilities. However, our fellow citizens cannot understand why, in the midst of the crisis, we should be arguing about arcane matters such as institutions and Treaty articles. They are looking to us to provide answers to their everyday problems. If we fail to come up with those answers, confidence in political institutions, at both national and European level, will be undermined even further. It is time to focus on the real issues. It is time to talk about how we are going to lead Europe out of the crisis. It is time to take determined action.

The European Parliament wants to make a constructive contribution to the decision-making process. If it is to do so, however, it must be involved in the first place.

Ladies and gentlemen,

The fiscal pact raises budgetary discipline to the status of a panacea for all the ills associated with the debt crisis and lays down national debt ceilings and automatic penalties. Yes, sensible budget policies are essential in order to keep national indebtedness under control. Yes, reducing debt is a simple matter of intergenerational justice, otherwise one day we will find ourselves in the shameful situation of bequeathing to our children not a house, but only a mortgage on a house. Ensuring that another crisis does not occur is not enough, it is all very necessary, but alone and accompanied by austerity measures in many Member States, it will not bring much needed economic growth and jobs.

The European Parliament has long held the view that sustainable budgets are essential, but only when combined with investment. Europe needs investment in order to boost economic growth, strengthen demand and, just as importantly, start paying off its debts. Europe needs growth in order to protect and create jobs, to safeguard pensions and to provide education and training. Today, 45 million people in Europe have no work – a record, but not one to be proud of. The fact that five million young people aged between 15 and 24 are unemployed, and that in Spain, indeed, almost every second young person is a jobseeker, must fill us all with concern. A generation of young people is growing up without prospects, and the result is that society may one day be undermined from within.

What can we do in order to boost Europe's economy, so that these people can find work again?

We, the Members of the European Parliament, have adopted a string of resolutions proposing practical measures to boost the economy, regulate financial markets and remedy economic imbalances between Member States – most recently in the Six Pack.

The European Parliament is the forum for informed, partisan debate about the political direction of the EU. The forum in which the concerns of ordinary people find a hearing and in which their interests are resolutely defended. Some may see our role as questionable, on occasion even unwelcome, but our aim is always to thrash out practical solutions.

For that reason, and on the basis of an unusually broad consensus – 530 votes from Members across all the political groups – we are calling for Parliament to be involved in the negotiations on an equal footing with the other institutions.

The tendency to regard summit meetings such as this one as the source of solutions to our problems raises hopes which are then disappointed when those solutions prove ineffective. This is undermining confidence in the EU's ability to act.

You have now made a start on the work of laying the foundations for a fiscal union. We welcome this step, one you were forced to take as a Union of 26 Member States, following Prime Minister Cameron's veto. Let me take this opportunity to thank you for standing firm when Prime Minister Cameron demanded derogations from the rules governing financial markets.

Whilst I am only too aware of the constraints you faced, I must nevertheless warn you about two potentially disastrous scenarios:

Firstly, you must work together to counter any threat of division within the EU. We cannot allow the EU to break up, or the principle of a multi-speed Europe to become entrenched. Alone we are weak, together we are strong!

Secondly, a fiscal union which is not subject to scrutiny by parliamentarians is unacceptable. Also, the coherence of Union Law must be preserved, we can not afford to have two different sets of standards

If what Parliament's representatives in the negotiations have told me is correct, it would appear that the fiscal pact is to be based on the Community method. Finally, after a lengthy struggle, Parliament is once again being respected as a co-legislator with equal rights. This is good news: the European Council has no immediate intention of taking any further steps along the slippery slope towards intergovernmentalism.

Ninety-nine per cent of all the rules could have been adopted under the ordinary legislative procedure. This is the point we have now in fact reached, albeit by the circuitous route of a debate on a revision of the Treaties and an international agreement. The result is the right one, but it could have been achieved so much more easily.

Nevertheless, some of the European Parliament's proposals have not yet been incorporated into the draft text. I would urge you finally to take note of these calls:

Firstly, all the provisions of the fiscal pact must be incorporated into the Treaties within five years. Secondly, the European Parliament must participate at all Eurozone and EU summits. The European Stability Mechanism was negotiated without our involvement – that is unacceptable.

Thirdly, all 26 contracting parties must have the same right to participate in all Eurosummit meetings, members as well as non-members of the Eurozone.

Ladies and gentlemen,

Europe must transform itself into a genuine economic and fiscal union. The importance of this is brought home to us every day when we look across the Atlantic: in the USA, the level of indebtedness and the inflation rate are significantly higher than in Europe. Why, then, are the Americans not struggling as much with the same problems as us?

Because we do not act together as a Union. Because we do not have the mechanisms which would enable us to offset economic imbalances between countries. Because we are being slow to implement the measures agreed as part of the Six Pack. We bow to the power of the markets, yet we are still constantly one step behind the rating agencies.

Standard & Poor's even went as far to describe the current rescue strategy as 'self-destructive'. The fiscal pact placed too much emphasis on austerity, to the exclusion of growth: this was the assessment used to justify downgrading the credit rating of nine eurozone Member States!

The aim of the fiscal pact is to win back the confidence of the markets, and we certainly need that. At the same time, however, we must take care not to lose the confidence of ordinary people!

2012 is the year in which we must find a way out of the crisis. The European Parliament intends to play a constructive, committed role in that process.

What exactly are our proposals?

We want a financial transaction tax – in March 2011, an overwhelming majority of the Members of the European Parliament called for the introduction of just such a tax. It is a question of fairness: the people who caused the crisis must not be allowed to walk away with billions of euros of bonuses lining their pockets, whilst the taxpayer foots the bill for their disastrous gambles. A tax of 0.05% could generate revenue of roughly EUR 200 billion in the EU every year. Highly speculative, computer-based trading would become less attractive; the financial markets would be more stable.

We want Eurobonds.

Joint bonds issued at a low rate of interest can ease the debt crisis and stabilise the banking system. Eurobonds are a powerful weapon against speculation and rocketing interest rates. In the last few days we have once again witnessed hedge funds betting that Greece will default on its debts. This must stop. Eurobonds are also a symbol of Europe's belief in a joint future.

We want a European rating agency, a rating agency which breaks the US monopoly, which makes its assessments on the basis of clear criteria, which has transparent ownership arrangements and whose work is thus not undermined by conflicts of interests.

We want a European growth initiative.

It would make sense to find a use for the billions of euros in the EU-budget which are not taken up by Member States, rather than simply returning them to the contributors. Part of this money should be invested in youth employment projects. We very much welcome President Barroso's announcement that a growth initiative will be presented today.

In the face of pressure from the markets, and when every day seems to bring a dramatic new turn of events, it is sometimes difficult to think beyond immediate solutions, to stop for a moment and take in the fact that here in this Council building, in the Commission, in Parliament, history is being written. Europe has a common destiny. We share a responsibility to take courageous steps towards closer integration, to explain difficult decisions to our fellow citizens, and to listen to their concerns. It is sometimes suggested that people do not want more Europe. I don't believe that. Seventy-seven per cent of EU citizens are in favour of the closer coordination of economic policies. In their eyes, the EU is not the problem, the EU is the solution. Let us not squander their trust, let us finally start the work of making the financial transaction tax, Eurobonds and the European growth initiative a reality!

Thank you for your attention."