

Institutions - Van Rompuy: EU's future on the line in next three months

By Pierre Lemoine in Florence | Friday 07 September 2012

It is now or never “for a political Europe,” Herman Van Rompuy told the 60 members of the European People's Party (EPP) and their assistants who attended an EPP group Bureau meeting, on 6-7 September in Florence, Italy, on this subject.

The EPP family (the majority in Europe) to which he belongs was eager to be the first to hear his views, as Van Rompuy was set to leave for Greece the same day and then go on to Rome the following day, and after his meetings with numerous European leaders since late August, in a bout of intense diplomatic activity: a visit to Rome by French President François Hollande to meet Italian Council President Mario Monti, a meeting with German Chancellor Angela Merkel and Spanish Prime Minister Mariano Rajoy, a visit by German Foreign Minister Guido Westerwelle to Vienna, and the participation of Eurogroup President and Luxembourg's Prime Minister Jean-Claude Juncker in a meeting of the European Central Bank (ECB). Resulting from all this activity, among other things, are the ECB's new plan for halting speculation on government debt and Merkel's proposal to hold, in December, a convention to draft a new European treaty.

In Florence, the European Council president sketched the road map Europe will follow from now until December. He outlined the structure of the final report he will be submitting to the December Council on deepening the Economic and Monetary Union. The report, he said, will give everyone “a long-term view,” including “international investors who want to know – which is quite normal – what will happen in terms of governance”.

He presented the report's four building blocks as follows:

“ **Banking union**: we are in the process of working out an agreement and the European Commission's proposal of 12 September will be very useful. We have not reached our destination yet, especially on what is known as resolution and on deposit guarantees. Talks between member states are still difficult.”

“ **Fiscal union**: you don't have to be a Socialist to understand the connections between the ‘six pack’ and the future ‘two pack’. Pooling of public debt will be the final step of the process.”

“ **Economic union**: we already have the ‘European semester’ recommendations and the macroeconomic supervision procedure. Can we make more binding commitments to keep from having to hold new talks every year? A balance will have to be struck on areas of national sovereignty and at the same time we have to ensure greater convergence on fundamentals in the eurozone.”

“ **Political union**: this is where I am counting on you to organise the parliamentary scrutiny required, which is exercised by both the European Parliament and the national parliaments.”

“These four building blocks of the report will be presented (in a provisional version) to the next European Council. In October, I hope that the Council's final text will go further than ‘taking note’ or ‘welcoming’. I am starting to learn the vocabulary. I hope it will ‘endorse’ a balanced and ambitious text.”

The Council president calmly told his political friends: "I am not an optimist. Optimism is too superficial. But I am confident that in the next three months we will manage to organise major and historic reforms. We will be judged later on what we accomplish in the last quarter of 2012."

"Reform efforts need to continue in many countries," he added. "This is not limited to countries under rescue plans or those under pressure. There are countries that have lost significant shares of the global market, France, to be specific. So reforms must continue to bring about more convergence. We must do so not because we love Europe so much, but because there is no alternative. There is an intolerable existential threat hanging over Europe. It has to be eradicated as soon as possible. [...] I am tired of being placed in the hot seat at G8 meetings and being preached at by countries like Mexico and others I will not name to keep from being unpleasant."

Van Rompuy also discussed Greece: "Those who believe that we can organise a default are deceiving themselves. A Greek exit would be unmanageable. We have to keep in mind that the existential threat will not be completely eradicated even if we find a solution for Greece in the coming weeks or months."

"Jesuits International"

Van Rompuy: "I put together my report in very close cooperation with José Manuel [Barroso], Jean-Claude [Juncker] and Mario Draghi. I don't want to mention him by his first name: that would give the impression that he belongs to our group, which is not the case. Our only connection is that he and I both attended Jesuit schools. That is already great progress, I find. It creates unbreakable ties. Mario Monti also studied with the Jesuits, and Mariano Rajoy as well. So there is a 'Jesuits International'. I apologise to the others, but women were excluded. But my four children, including my two daughters, attended Jesuit schools. The world has changed."