

A large, stylized graphic of Germany composed of a grid of dots in various shades of gray and red, with the red dots forming the outline of the country.

Germany in and with and for Europe

Speech given by former Federal Chancellor
Helmut Schmidt

on 4 December 2011
at the SPD party conference in Berlin

Friends, Ladies and Gentlemen,

Let me begin on a personal note. When Sigmar Gabriel, Frank-Walter Steinmeier and my party asked me once again for a contribution, I recalled with pleasure that, 65 years ago today, I was kneeling on the floor with my wife, Loki, painting invitation posters for the SPD in the Neugraben district of Hamburg. But I must admit that at my age I am beyond good and evil in respect of any party politics. For a long time now my two major interests have been the tasks facing this country and the role it should play in the crucial arena of European integration.

I am pleased to share this lectern with Jens Stoltenberg from Norway who, in the midst of the profound misfortune his country has suffered, has provided us and all Europeans with a shining example of unwavering, constitutional, liberal and democratic leadership.

When you're as old as I am, you have a natural tendency to take a long-term perspective – both backwards into history and forwards into the future, in which you place your hopes and your aspirations. That said, I nonetheless found it impossible to give a straightforward answer to a very simple question put to me just a few days ago by Wolfgang Thierse, who asked me when I thought Germany would finally become a normal country. I answered by saying that Germany would not be a »normal« country in the foreseeable future. Standing in the path to normality is the enormous and unique burden of our history. A further stumbling block is the economically and demographically dominant central position Germany occupies in the middle of our very small continent with its multitude of different nation states.

Which brings me to the heart of the complex subject matter I wish to address: Germany in, with and for Europe.

I Motives and origins of European integration

Although a few of the 40-odd nation states in Europe – Italy, Greece and Germany, for example – were late in developing the national identity they have today, bloody wars have been fought time and again all over the continent. Seen from central Europe, the history of the continent might well be regarded as a never-ending succession of struggles between the periphery and the centre and, vice versa, between the centre and the periphery. The decisive battlefield has always been the centre, however.

Whenever the rulers, states or peoples at the heart of Europe were weak, their neighbours from the periphery would penetrate into the enfeebled centre. The greatest destruction and the largest losses of human life in relative terms were suffered during the first Thirty Years War 1618-48, which was played out for the most part on German soil. At that time, Germany was no more than a geographical concept, vaguely defined as the area in which German was spoken. The French came at a later date under Louis XIV and again under Napoleon. The Swedes did not come a second time. The British and the Russians, however, came several times, the latter most recently under Stalin.

Whenever the dynasties or the states in the centre of Europe were strong – or felt they were strong – they, in turn, ventured into the periphery. That was the case with the Crusades, which were also campaigns of conquest directed not just at Asia Minor and Jerusalem, but also at eastern Prussia and all three present-day Baltic states. In modern times it applied to the war against Napoleon and the three wars waged by Bismarck in 1864, 1866 and 1870/71.

It was true, above all, of the second Thirty Years War from 1914 to 1945. And it was especially true of Hitler's advances as far as the North Cape, the Caucasus, the Greek island of Crete, southern France and even Tobruk close to the border between Egypt and Libya. The catastrophe unleashed by Germany on Europe encompassed the disaster which befell the European Jews and the devastation of the German nation state.

Before that, however, the Poles, the Baltic nations, the Czechs, the Slovaks, the Austrians, the Hungarians, the Slovenians and the Croats had shared the fate of the Germans in that they had all suffered for centuries because of their geopolitical location at the heart of this small continent of Europe. To put it differently, we Germans have frequently made others suffer because of our position of power at the centre.

Nowadays, the conflicting territorial claims and the conflicts over languages and borders, which were still crucial aspects of national identity in the first half of the 20th century, have *de facto* largely lost their significance, for us Germans at least.

Whereas knowledge and recollection of the wars waged in the Middle Ages have largely faded in the public mind and in the published opinion in the countries of Europe, memories of the two world wars in the 20th century and of German occupation continue to play a dominant role beneath the surface.

For us Germans it seems to me critical that almost all Germany's neighbours – and virtually all Jews the world over – remember the Holocaust and the abominable deeds that took place during German occupation of the countries at the periphery. We are not sufficiently aware of

the fact that in almost all our neighbouring countries there is a latent suspicion of Germans that will probably persist for many generations to come.

Future generations of Germans will have to live with this historical burden, too. And the present generations should not forget that it was suspicion of Germany and its future development that paved the way for the start of European integration in 1950.

Churchill had two objectives in mind when, in the great speech he gave in Zurich in 1946, he urged the French to live on good terms with the Germans and to join with them in setting up the United States of Europe. His first objective was to build a common defence against the perceived threat posed by the Soviet Union; the second was to integrate Germany into a broad Western alliance. Churchill was far-sighted enough to anticipate that Germany would grow strong again.

When Robert Schuman and Jean Monnet put forward the Schuman Plan for a European Coal and Steel Community in 1950, four years after Churchill's speech, they did so for the same reason: to re-integrate Germany. Ten years later, the same motive inspired Charles de Gaulle to extend the hand of reconciliation to Konrad Adenauer.

All these endeavours were based on a realistic awareness of the dreaded possibility that Germany would regain its strength in the future. It was not the idealism of Victor Hugo, who called for the unification of Europe in 1849, nor any other form of idealism that characterised the early phase of European integration between 1950 and 1952, which was limited to Western Europe. The leading statesmen in Europe and America at the time (George Marshall, Eisenhower and Kennedy, but above all Churchill, Jean Monnet, Adenauer and de Gaulle along with de Gasperi and Henri Spaak) were motivated not by any form of European idealism but by their knowledge of European history. Their actions were inspired by a realistic awareness of the need to prevent a continuation of the struggle between the states at the periphery and Germany at the centre. An appreciation of this original motivation for European integration – and it remains a key element to this day – is crucial to the resolution of the current, extremely dangerous European crisis.

The more the Federal Republic of Germany grew in economic, military and political stature in the course of the 1960s, 70s and 80s, the more the Western European leaders came to regard European integration as a safeguard against the conceivable prospect of a renewed German susceptibility to the lure of power. The initial resistance to the unification of the two German post-war states mounted by Margaret Thatcher, Mitterand and Andreotti in 1989/90 was clearly prompted by concern about a strong Germany at the heart of this small continent of Europe.

Permit me to make a personal digression at this point. I listened to Jean Monnet when I was involved in the work of his committee *Pour les États-Unis d'Europe* (For the United States of Europe). That was in 1955. Jean Monnet remains one of the most far-sighted Frenchmen I have ever met – not least because of his plan for a gradual approach to European integration.

Ever since then I have been a supporter both of European integration and of Germany's inclusion into Europe not on any idealistic grounds but out of an awareness of the strategic interests of the German nation. (That led to a dispute between me and the party chairman, Kurt Schumacher, a man I held in great esteem. It might have been a trivial matter for him, but



for me – a 30-year-old former soldier returned home from the war – it was a deadly serious issue). In the 1950s my position prompted me to back the plans of the Polish Foreign Minister at the time, Rapacki. In the early 1960s I wrote a book criticising the official Western strategy of nuclear retaliation that NATO used to threaten the powerful Soviet Union – a strategy to which we remain committed to this very day.

II The European Union is necessary

In the 1960s and early 1970s, de Gaulle and Pompidou continued the process of European integration – not because they wanted to draw their own country in, for better or worse, but in order to bind Germany in. Subsequently, the good relationship I enjoyed with Giscard d'Estaing resulted in a period of Franco-German cooperation and the continuation of European integration – a period that was successfully resumed by Mitterand and Kohl after the spring of 1990. Between 1950/52 and 1991 the European Community grew little by little from six to twelve Member States.

Thanks to the extensive preparatory work carried out by Jacques Delors (then President of the European Commission), Mitterand and Kohl were able to launch the common currency – the euro – in Maastricht in 1991, which was introduced ten years later in 2001. Here again, the underlying cause was the French concern about an over-powerful Germany or, to be more precise, an over-powerful deutschmark.

In the meantime the euro has become the second most important currency in the global economy. Both internally and externally this European currency has so far proved more stable than the U.S. dollar – and more stable than the deutschmark in the last ten years of its existence. All that has been written and said about an alleged ›crisis of the euro‹ is irresponsible nonsense uttered by the media, journalists and politicians.

The world has changed dramatically since Maastricht in 1991/92, however. We have witnessed the liberation of the countries of Eastern Europe and the implosion of the Soviet Union. We have experienced the phenomenal rise of China, India, Brazil and other ›emerging economies‹, which used to be sweepingly referred to as the ›Third World‹. In addition, the real economies in most parts of the world have been ›globalised‹. In other words, almost all the countries in the world are dependent on each other. Players in the globalised financial markets, in particular, have acquired a power that, for the time being, remains completely uncontrolled.

At the same time the world's population has soared almost unnoticed to seven billion. When I was born, there were just two billion people in the world. All these enormous changes are having a tremendous impact on the peoples of Europe, their countries and their prosperity.

On the other hand, all the European countries are ageing and their populations are shrinking. By the middle of the 21st century there will probably be as many as nine billion people on the planet. The European nations together will then account for just seven per cent of the world's population. Seven percent of nine billion! For more than two centuries – up to the year 1950 – Europeans made up over twenty per cent of the global population. But for the past fifty years we Europeans have been shrinking in numbers, not just in absolute figures but also, and above all, compared to Asia, Africa and Latin America. Similarly, the Europeans' share of the global



national product, i.e. the value added of the world's population, is shrinking. By 2050 it will drop to around ten per cent; in 1950 it was still at around thirty per cent.

In 2050, each of the European nations will constitute just a fraction of one per cent of the world's population. In other words, if we cherish the notion that we Europeans are important for the world, we have to act in unison. As individual states – France, Italy, Germany, Poland, Holland, Denmark or Greece – we will ultimately be measured not in percentages, but in parts per thousand.

That is why the European nation states have a long-term strategic interest in their mutual integration. This strategic interest in European integration will become increasingly significant. As yet, the countries are mostly unaware of the fact. Their governments have failed to make it clear to them.

Should the European Union fail to ensure its capacity to take common action in the decades ahead, however limited that might be, a self-inflicted marginalisation of the European countries and of European civilisation cannot be ruled out. If this happens, a revival of competition between the countries of Europe and of battles for prestige cannot be excluded either. If that were the case, the integration of Germany could hardly continue. The old game between the centre and the periphery might well be resumed.

The process of global enlightenment, the spread of human rights and human dignity as well as of constitutional and democratic government would no longer receive any effective impetus from Europe. Taking these aspects into consideration, the European Community emerges as a vital necessity for the nation states of our old continent. This necessity goes beyond the motives that inspired Churchill and de Gaulle. It goes beyond the motives demonstrated by Monnet and Adenauer as well. Today, it also overarches the motives of Ernst Reuter, Fritz Erler, Willy Brandt and Helmut Kohl.

I would add that one of the issues at stake here is still undoubtedly to bind Germany in. For that reason we Germans must be quite clear in our minds about the tasks we have to address and our own role in the context of European integration.

III Germany needs continuity and reliability

If, at the end of 2011, we look at Germany from the outside through the eyes of our close and more distant neighbours, it becomes clear that for the last years this country has been a cause of uneasiness and, more recently, of political concern. In the immediate past, considerable doubts have emerged about the continuity of German policy. The trust placed in the reliability of German policy has been damaged.

On the one hand, these doubts and concerns are the result of foreign policy mistakes made by German politicians and governments. On the other hand, they have to do with the economic strength of our country following its reunification, which took the world by surprise. Beginning in the 1970s, at a time when Germany was still divided, our economy has developed into the biggest in Europe. In technological, financial and social terms it is one of the most productive economies in the world. The economic strength and the social peace we have enjoyed for

decades now, which in comparative terms is very stable, have provoked envy, particularly since our unemployment rate and our debt to equity ratio are well within the international norm.

However, it has not really dawned on us that our economy is not only closely integrated into the common European market but is also highly globalised, which means it is dependent on global market conditions. Next year, therefore, German exports will not grow very much.

In addition, there has been a very undesirable development in the form of persistently high surpluses in our balance of trade and balance of payments. For years now, the surpluses have constituted around five per cent of our national product. They are more or less the size of China's surpluses. We are not conscious of the fact, because the surpluses are no longer expressed in deutschmarks but in euros. Our politicians need to bear this in mind, however, as in reality all our surpluses are the deficits of other countries. The claims we have on others are their debts. This is an annoying violation of the »external balance« we once elevated to the status of a legal ideal. It is a violation that must worry our partners. Recently, voices have been raised abroad – mostly in America, although in the meantime they have come from all quarters – urging Germany to play a leading role in Europe. All these factors taken together have aroused further suspicion among our neighbours. And they have revived unpleasant memories, too.


These economic developments and the simultaneous crisis in the ability of the European Union institutions to take action have pressured Germany into playing a key role again. The Chancellor has willingly accepted this role alongside the French president. In many European capitals and in the media of many of our neighbouring countries, however, there is once more a growing concern about German dominance. This time the issue at stake is not a central power that is exceedingly strong in military and political terms, but a centre that is exceedingly powerful in economic terms.

At this point it is time to issue a serious, carefully considered warning to German politicians, the media and the general public.

If we Germans were to be tempted by our economic strength into claiming a leading political role in Europe or at least playing the role of first among equals, an increasing majority of our neighbours would mount effective resistance. The concern among the states on the periphery about the centre of Europe becoming too strong would return very quickly. The likely consequences of such a development would cripple the EU and Germany would lapse into isolation.

The Federal Republic of Germany is a very large country with a very competitive economy that needs to be integrated into Europe – to protect it from itself, amongst other things. Ever since 1992 therefore – since the times of Helmut Kohl – Article 23 of the Basic Law has obliged us to cooperate »... in the development of the European Union«. Article 23 also obliges us, as an element of this cooperation, to heed »the principle of subsidiarity«. The present crisis affecting the ability of the EU institutions to take action does not change these principles in any way.

In view of our central geopolitical location, the unfortunate role we played in European history up to the middle of the twentieth century and the strong economy we have today, every German government is called upon to show the utmost sensitivity towards the interests of our partners in the European Union. And our willingness to help is indispensable.



The great work of reconstruction we Germans have carried out over the past sixty years has not been exclusively the result of our own efforts. It would have been impossible without the help of the victorious Western powers, without our integration into the European Community and the Atlantic Alliance, without the assistance of our neighbours, without the political awakening in eastern central Europe and without the end of communist dictatorship. We Germans have every reason to be grateful. At the same time we have the duty to prove ourselves worthy of the solidarity we have received by exercising solidarity ourselves with our neighbours.

By contrast, it would be pointless – and probably even harmful – for us to strive for global political prestige and a role of our own in the international political arena. At all events, it is crucial that we maintain our close cooperation with France and Poland and with all our neighbours and partners in Europe.

I strongly believe that it is of cardinal importance for our long-term strategic interests that Germany should not isolate itself nor allow itself to be isolated. Isolation within the West would be dangerous. Isolation within the European Union or the euro area would be extremely dangerous. For me, this particular German interest enjoys a much higher priority than any tactical interest pursued by political parties of whatever hue.

German politicians and the German media damn well have the duty to consistently convey this message to the general public.

Now it might be the case, as has happened recently, that someone claims that from now on Europe will speak German; that a German foreign minister considers telegenic appearances in Tripoli, Cairo or Kabul to be more important than political contacts with Lisbon, Madrid and Warsaw or with Prague, Dublin, The Hague, Copenhagen and Helsinki; that someone else feels called upon to prevent a European ›transfer union«. That is nothing more and nothing less than arrogant pretentiousness and it is harmful to boot.

It is a fact that, for decades now, Germany has been a net contributor. We could afford to play that role in Adenauer's time and have continued to do so ever since. And of course Greece, Portugal and Ireland have always been net recipients.

It may be that the political class in Germany today is not sufficiently aware of this solidarity. Hitherto, however, it was a matter of course. The same is true of the principle of subsidiarity: what a country cannot regulate or manage on its own must be dealt with by the European Union. That principle has been written into the Treaty of Lisbon as an obligation.

Following the Schuman Plan, Konrad Adenauer – led by his correct political instinct and in the face of opposition from both Kurt Schumacher and, later on, Ludwig Erhard – took up the offers made by the French. Although Germany was still divided at the time, Adenauer was correct in his assessment of Germany's long-term strategic interests. All Adenauer's successors – Brandt, Schmidt, Kohl and Schröder – continued his policy of integration.

Short-term, domestic policy and foreign policy tactics have never called the long-term strategic interests of the Germans into question. For decades now, all our neighbours and partners have therefore been able to rely on the continuity of Germany's European policy, irrespective of any changes in government. It is essential that this continuity be maintained in the future.

IV The present situation of the EU calls for vigorous action

German conceptual contributions have always been a matter of course. Things should remain that way in the future. However, we should not try to anticipate the distant future. The facts, omissions and errors of Maastricht twenty years ago could only be partially remedied by changes to the treaty. The present proposals for an amendment to the current Treaty of Lisbon do not strike me as very helpful for the immediate future, bearing in mind the difficulties we have experienced so far with ratification by all the treaty states and the negative outcomes of referenda.

I would, therefore, concur with what the Italian President, Napolitano, had to say in a remarkable speech in late October, in which he urged us to concentrate on what needs to be done now. And that we must exploit the opportunities offered by the present EU Treaty, particularly as regards the tightening of budget rules and the strengthening of economic policy in the euro currency area.


The current crisis affecting the capacity to act of the European Union institutions that were set up in Lisbon must not be allowed to go on for years. With the exception of the European Central Bank, the institutions – the European Parliament, the European Council, the Commission in Brussels and the Councils of Ministers – have provided precious little effective assistance following the resolution of the severe banking crisis of 2008 and especially since the subsequent sovereign debt crisis.

There is no panacea for overcoming the present EU leadership crisis. Several steps will need to be taken, some simultaneous, others consecutive. This will require not only a capacity to make judgments and take action, but also patience. In this situation German conceptual contributions should not be confined to slogans. They should not be bandied about on television but discussed confidentially in committees set up by the EU institutions. In this discussion we Germans should refrain from holding up our economic and social system, our federal system or our financial and budgetary system as models or standards for our European partners to emulate. Instead, we should present them as just one option among many.

We all bear a common responsibility for what Germany does or does not do now and the future consequences that will have for Europe. We therefore need European common sense. In addition to common sense, however, we must have a compassionate heart for our neighbours and partners.

On one important point I agree with Jürgen Habermas, who recently said that – and I quote – »... for the first time in the history of the EU we are experiencing a real weakening of democracy« (end of quote). Indeed, not only the European Council including its president, but also the European Commission including its president as well as the various Councils of Ministers and the entire bureaucracy in Brussels have together pushed democracy aside. At the time we introduced general elections to the European Parliament I succumbed to the illusion that the parliament would wield its own political clout. In actual fact, however, it has so far failed to exert any perceptible influence on the management of the crisis, since its consultations and decisions have had no public impact.

Let me, therefore, make the following appeal to Martin Schulz. It is high time that you and your fellow parliamentarians – Christian Democrats, Socialists, Liberals and Greens – acted in



unison to make your voices heard in public, and in no uncertain tones. The best area for the European Parliament to flex its muscles is probably the supervision of banks, stock exchanges and their financial instruments, which has been totally inadequate since the G20 meeting in 2008.

Umpteen thousands of financial traders in the USA and Europe, plus a number of rating agencies, have succeeded in turning the politically responsible governments in Europe into hostages. It is highly unlikely that Barack Obama will do much about it. The same is true of the British government. In 2008/2009, governments the world over managed to rescue the banks with the help of guarantees and the taxpayers' money. Since 2010, however, this herd of highly intelligent, psychosis-prone financial managers has gone back to its old game of profits and bonuses. Theirs is a game of chance to the detriment of all the non-players, which Marion Dönhoff and I criticised as extremely dangerous back in the 1990s.

If no one else is prepared to act, then the members of the euro area must do so. They could make use of Article 20 of the EU Treaty of Lisbon, in which there is express provision for individual or several EU Member States to ... »establish enhanced cooperation among themselves«. At all events, the members of the euro currency union should work together to introduce radical regulations for the common financial market in the euro currency area. These regulations should cover the separation of normal commercial banks from investment and shadow banks; a ban on the short selling of securities at a future date; a ban on trading in derivatives, unless they have been approved by the official stock exchange supervisory body; and the effective limitation of transactions affecting the euro area carried out by the currently unsupervised rating agencies. I will not bore you with any further details.

Naturally, the globalised banking lobby would again move heaven and earth to prevent this. After all, it has thwarted all the far-reaching regulations that have been introduced so far. It has deliberately engineered a situation in which its herd of dealers has put European governments in the predicament of having to constantly invent new »rescue mechanisms« – and to extend them by means of »leverage«. It is high time something was done about this. If the Europeans have the courage and the strength to introduce radical financial market regulation, we have the prospect of becoming an area of stability in the medium term. But if we fail in this respect, Europe's influence will continue to decline – and the world will move towards a duumvirate consisting of Washington and Peking.

All the steps envisaged and announced so far will undoubtedly be needed in the euro area in the immediate future. They include the rescue fund, the leverage ratios and the requisite monitoring mechanisms, a common economic and fiscal policy as well as a series of tax, spending, social and labour market reforms in the different countries. A common debt will be inevitable too. We Germans should not refuse to accept this for selfish national reasons.

We should also avoid advocating an extreme deflationary policy for the whole of Europe. On the contrary, Jacques Delors is quite right to insist that a balancing of the budgets should be accompanied by the introduction and financing of growth-enhancing projects. No country can consolidate its budget without growth and without new jobs. Those who believe that Europe can recover solely by making budgetary savings should take a close look at the fateful effect of Heinrich Brüning's deflationary policy in 1930/32. It triggered a depression and intolerable levels of unemployment, thus paving the way for the demise of the first German democracy.

V To my friends

In conclusion, my friends, let me say that there is really no need to preach international solidarity to Social Democrats. For a century and a half, German Social Democrats have been internationalists to a far greater extent than generations of Liberals, Conservatives or German Nationalists. We Social Democrats have upheld the cause of freedom and human dignity. We have held fast to representative parliamentary democracy. These fundamental values make it our duty to exercise European solidarity today.

In the 21st century, Europe will undoubtedly continue to consist of nation states, each with its own language and history. For that reason Europe will definitely not become a federal state. However, the European Union cannot afford to degenerate into a mere confederation. The European Union must remain a dynamically developing alliance, for which there is no parallel in the whole of human history. We Social Democrats must contribute to the gradual evolution of this alliance.

The older you get, the more you tend to take a long-term perspective. As an old man I still hold fast to the three fundamental values of the Godesberg Programme: freedom, justice and solidarity. My feeling is that nowadays justice requires, in particular, equal opportunities for children, school pupils and young people in general.

Looking back to the year 1945 or to 1933 – I had just turned fourteen at the time – the progress that has been achieved in the meantime strikes me as almost incredible: the progress Europeans have made since the Marshall Plan of 1948 and the Schuman Plan of 1950; the progress we owe to Lech Walesa and Solidarnosc, to Vaclav Havel and Charter 77 and to the Germans in Leipzig and East Berlin since the major political changes in 1989/91.

Today, most of Europe enjoys human rights and peace. That is something we could never have imagined in 1918, 1933 or 1945. Let us, therefore, strive to ensure that the historically unique European Union emerges unshaken and with self-confidence from its current period of weakness.



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