

MARTENS HONOURS DUISENBERG AND 'EUROPE'S INSP. MAIGRET'

Brussels, December 12, 2001

Laudatio by EPP President Wilfried MARTENS at European Taxpayers Association prizegiving ceremony for ECB President Wim DUISENBERG and Prof FRIEDMANN, former chairman, European Court of Auditors



It is a great honour to introduce this year's prize-winners, and a pleasure to see public recognition for two men whose tasks are, in the final analysis, lonely, nerve-wracking - and of immense significance for all Europeans.

I am also pleased that, once again, the TEA has not chosen "safe" winners of the European Bull but opted for two men who are as controversial as they are remarkable in their fields.

Wim Duisenberg and I go back a long way, so I feel sure he will not mind if I come to him second. But what I have to say applies in large part to both today's laureates: especially I think their commitment to a generous - but also realistic, and intensely political - vision of Europe.

Professor Friedmann, you are that unusual thing, a senior civil servant who also became a politician, and then I suppose Europe's Inspector Maigret...

"Wherever money is given away, the human mind becomes inventive," you said when you spoke at the first award celebration in 1999. And, it is so. And one of your great talents has been to sniff out and expose the ingenious tricks used to cheat European citizens.

Some of the most outrageous trickery is not, however, perpetrated by the usual suspects, the smugglers of suspect meat, or the professional subsidy-farmers, but by the wily machinery of government itself.

I think for example of your investigations into those neat-looking statistics and tables about economic convergence. You have astutely noticed and exposed the mis-spending, or rather non-spending, of structural funds by certain countries (*I cannot think which ones you mean!*) aimed at lowering the hurdles for meeting the requirements of the Stability Pact.

This kind of manipulation is a fraud on all of us, because it weakens our currency, and threatens Europe's credibility altogether.

It is emphatically *not* one of those crimes without a victim.

Nor have you spared the European Commission, whose checks on nationally-supplied data suggest that the Commission doesn't have these things as much "*im Griff*" as it should. You say that Eurostat is, as a result, not necessarily based on genuinely comparable figures at all. This is hardly welcome news: figures always look so convincing in print.

But if it is true, then that too needs to be exposed and dealt with, and come under the scrutiny of the Court of Auditors, along with Commission instruments for controlling company takeovers and the like. That this is not obvious to everyone is, alas, a reflection of the relative weakness of the European institutions, a weakness which you have done your best to correct.

Europe badly needs politically fearless, *political* Inspector Maignets like you, professor.

It was typical that your swan-song was to deliver to the European Parliament special reports on EU agricultural policy, one taking apart the handling of the mad-cow catastrophe, and the other on one your favourite topics, the scandalous waste involved in milk-quotas.

Your European-ness was loud and clear in that speech of three years ago, which you prefaced with the words: "the budget is not everything." Yes, the finances of Europe's eastern enlargement have to be right and transparent. But the true meaning of this great and difficult undertaking must never be forgotten. That it is a matter of European civilisation and of European solidarity. That ultimately the point of integration, of - from your perspective as well as mine - *reunifying* Europe.

The *Handelsblatt* newspaper the other day headlined an article about you: "*Der Provokateur*." We need more honest, European-minded provocateurs like you, professor.

Wim Duisenberg. My dear Chairman, these days you cannot enjoy the pleasures of speaking your mind in quite such a free way. A few weeks ago you were asked by a reporter what signal the Bundesbank president Ernst Welteke had sent when he seemed to hint that an ECB rate cut might not, after all, be forthcoming.

Ah, you said drily, "It could be a signal that markets have to listen more to me than to others." This is about as provocative as you are allowed to be these days, it seems.

If the Chairman coughs, I have the impression, it is like an auctioneer scratching his ear: it risks moving the markets as fast as a gust of wind in the bullrushes. I can see it is difficult for you.

Even for the ECB to meet routinely makes the markets excited, which I understand is why you now meet monthly rather than fortnightly...

Behind that unaccustomed reticence, the chairman of the European Central Bank is another forthright and determined European - a European Bull! - filling a critical role as the euro takes shape with actual coins and notes for the New Year launch. A heavy task indeed - two billion coins, a total weight of 9, 000 tons, and 530 million notes - and I am speaking just for Belgium.

For Europe as a whole the arrival of a physical currency is one of the most remarkable and significant developments of recent years, something we could only dream of in the early days. Certainly it seemed a distant dream when, ambitious as we were, a small group of European politicians founded the continent's first trans-national party, the European People's Party, which I now lead, back in the late 1970s.

And now it is only days away!

It would be hard to imagine a better central banker than Wim Duisenberg to take on this Herculean task. He has extraordinary political and financial experience, beginning with a useful early spell at the IMF, and on up the political and economic ladder.

For good reason. If there is a man who knows about stability, it is Wim Duisenberg.

In 15 years he made the Dutch Guilder one of the hardest currencies in the world. Few of his old adversaries from his days as Dutch finance minister will forget his 'one-percent clause' - the Duisenberg rule that state spending should not increase by more than one per cent a year. Now, with some invaluable help from Professor Maigret and his colleagues, he is carrying that same determination - a *bullish* determination - into the work of keeping all the 15's spending in line, and protecting the integrity of the Bank against the many who do not accept its primary duty - the fight against inflation.

For that you really need to be a bull, a Friesian bull, even if a perfectly friendly one!

Wim is sometimes described as a Keynesian who became a "moderate monetarist". I believe your PhD back in the 1960s was on the *Economic Consequences of Disarmament*.... How far we have moved since then! Not necessarily, since the catastrophes of September 11, in the direction we all hoped.

No doubt both of our prizewinners will speak about the way the events of 1109 and since have turned the political - and economic - landscape upside down, perhaps even more than the Fall of the Berlin Wall.

All "-isms" are being tested, and all leaders. Wim Duisenberg is one who has proved an exemplary, cool-headed figure, as he was during the days when the rate for the new-born, but invisible, euro was struggling against a dollar flying high on the long, long American boom...That too seems rather a long time ago.

Perhaps you are a little more Keynesian these days than is your natural mood.

I for one am confident that Wim Duisenberg will prove equal to the task of protecting Europe and its currency from the danger that now seems to threaten us - not inflation but a global recession.

I have a few remarks of my own to make about September 11, and what it means for us in Europe. First, it has stripped away a great deal of pretence: perhaps no bad thing! Do we have a European polity? No, not yet. Are we credible militarily as a unified force? No, not that either. Not yet....

Like all real crises, this one has tested people and institutions. America's dominance has been obvious - even NATO has, honestly speaking, been sidelined. It is right that the West should stand together. George Bush the Second has been tested in the fire, and proved more and more capable.

But there has been, frankly, an absurd, undignified, scramble by certain European leaders to be in the front of the chorus line. There has been a lack of solidarity, of far-sightedness.

Bin Laden is perhaps one of these evil charismatic figures who arise from time to time and need to be resolutely defeated before they destroy us all.

But we would be wise to reflect on some of the longer-term lessons of this terrible episode. And on the fact that we Europeans will stand together...or fall together.

One of the lessons is a reminder that, as the poet John Donne had it: "No man is an island."

September 11 brought home to America that it was not invulnerable, despite the Atlantic Ocean. That globalisation means that, for example, there can be terrible domestic consequences of foreign policy. And that no-one can be indifferent to this: that for all sorts of reasons, economic globalisation has losers as well as winners. Hundreds of millions of people have been left out of the great boom of the last 20 years, and are still left out.

That is ultimately the swamp from which extremism has emerged, and in which it nourishes itself. It matters, not just to those on the wrong side of globalisation. It can be uncomfortably close to us. Globalisation shrinks the world, but it cuts both ways.

America has not just reacted militarily to September 11. It has also started to reflect.

On the real meaning of solidarity, for example, and who were the heroes of the hour: firemen and policemen...

If we are civilised, and value our civilisation, we in Europe also need to start thinking more deeply about what binds us together... What we are about.

If we are wise we will turn globalisation into something positive, not just a bonfire of trade restrictions...

The European Union is a Union of values or it is nothing very much. Yes, a good arrangement, perhaps. But as Jacques Delors would say, who goes to war for a good arrangement?

And having thought, we need to act, not just in the dozen or so future members of our Union, but in the world as a whole, perhaps starting with our near neighbours in the Middle East.

Globalisation, this great, palpable new interdependence, must be given the human dimension it often lacks. We have responsibility for each other. And we have the same destiny: the merchant banker with his 2m\$ a year, bloody and covered in dust, no less than the fireman who saved him, or the thousands, rich and poor, who were not saved, but murdered in the rubble of the Twin Towers.

How to achieve that human dimension? For a start, through imagination

and generosity in our own societies. By knowing our neighbours and understanding them. Millions are not Caucasian. Or Christian. They are fellow human-beings and fellow-Europeans, and yet often we know almost nothing about them. The kind of globalisation we should aim for needs great political will and leadership. To defend ourselves effectively against terrorism, you might say. Yes of course! That goes without saying. To defend ourselves *tout court* - yes that as well. We have talked quite long enough about Common Defence and Security. Let's see it! And in the context of a much more fundamental understanding of Europe's role in the region and in the world.

A European Union, a Union of Values worth the name, is one that practices what it preaches.

A Union of Values that wants to endure must be more than a club of more-or-less wealthy countries in this crowded corner of the globe.

Such a Union will spread democracy, the rule of law, and durable development in free, open societies.

Above all it will be informed by - show respect for - every individual human being.

That, I think for most of you in this room, is the starting point. It is the basis, if there is one, for our Europe, and the logic of the immensely valuable achievements of the two European Bulls we are honouring today.

My congratulations to you both....Mr chairman, ladies and gentlemen, thank-you for your kind attention.