

Director's Forum – November 19, 2009

His Excellency Romano Prodi, Former Prime Minister of Italy

>> Good morning everyone, I'm Joseph Gildenhorn, Chairman of the Board of Trustees of the Woodrow Wilson International Center for Scholars, and it's my real pleasure to welcome you to today's Director's Forum with his Excellency Romano Prodi, former Prime Minister of Italy and former President of the European Commission. The Woodrow Wilson Center was established by an act of Congress in 1968 and is our nation's official living memorial to President Woodrow Wilson. It was founded to honor and build upon his legacy as a man who bridged the divide between scholarship and public policy. We at the center bring together the thinkers and the doers, and these include policy makers, scholars and business leaders in the hope and the belief that a frank, open, and informed dialogue will lead to better understanding cooperation and positive public policy. Today, we are honored to have a speaker with whose extraordinary background reflects accomplishments in all three worlds, policy, scholarship and business. Former Prime Minister Romano Prodi has held every high office in his country and has played a major role in leading Italy into an active and prominent position in the European and global community. It's been a long and steadfast proponent of European integration. Our distinguished guest has had a most interesting and successful career serving as prime minister of Italy on two occasions from 1968 to 1998 and from 2006 to 2008, and in between his terms as Prime Minister, he served as president of the European Commission from 1999 to 2004. Professor Prodi has also had a distinguished academic career. He received his law degree from Catholic University of the Sacred Heart in Milan, and went on to study at the London School of Economics. He taught for many years at the University of Bologna and was a visiting professor at Harvard University. Today, he is also a Professor-at-Large at the Watson Institute for International Studies at Brown University. Professor Prodi is also the president of the Foundation for Worldwide Cooperation and chairman of the United Nations African Union Panel for Peacekeeping in Africa. The Woodrow Wilson Center, through its European studies program, is committed to advancing dialogue and scholarship on European policy matters. It has a particularly strong record with issues dealing with the transatlantic relations, the Western Balkans and Southeastern Europe. It should be noted that Italian scholars have played an active role at the center over the years. And in this regard, the center's history and public policy program has a longstanding tie with the Machiavelli Center for Cold War Studies in Florence, as well as with several other Italian universities. Over the past few years, the center has cosponsored a number of conferences in Italy and is currently working with Italian partners on a new edition of when the history of nuclear proliferation. Professor Prodi, we're honored to have you here with us today as we continue our commitment to advancing dialogue and scholarship on European policy issues. Ladies and gentlemen, please join me in welcoming his Excellency Romano Prodi.

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[ Applause ]

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>> First of all, good morning. I really have to be here for this conference and conversation because I think the best parts of these occasions are given by the exchange of view that we shall have after my introductory speech. The subject today is the future of Europe and transatlantic relations. Let's say the long lasting relation between US, Europe and the forecast about the future of the Union. Difficult today, because today is the day in which in theory that you're responsible for let's say, the chairmanship, the presidency of the council and the role of the so called foreign ministry of European Union will be decided in Brussels, you know, maybe been already decided. I don't know yet because the Brussels time is different from the Washington time. But we shall try to analyze the past briefly, to make some reflection on the present and some guess about the future. First of all, it's clear that US support has been absolutely vitally important, not only for the European reconstruction, it's clear, but also for the European Union helping the European integration. Since the beginning, the Franco-German talks for--put in together steel and coal where backed by the American government who was always in favor of Franco-German reconciliation. And--I mean the postwar Europe has always been a partner of US, sometimes junior partner, but a partner. And also the--when you analyze the documents of the history, also the economic side of it, of the Union was backed by US, and in theory not always the interests were the same, you know. So it was really a political choice on the American side. US supported the enlargement, all the enlargement especially the first one to United Kingdom, and the same time US opposed the complete European autonomy in--and even in this case, European cooperation in the field of the security matter, let's say pro-Europe but NATO for security as a priority. It was a clear coherent policy. Because of that also, because of the integration has been concentrated nearly on economic matters in NATO, the pillar of security cooperation. During the Cold War, US dominant position on security and political matter was challenged only in two cases, when there were some hint of former cooperation in foreign policy and when during the Vietnam War and the Euro missiles case strong part, you know, a substantial part of European public opinion was criticizing US but they were only two cases, all in the period of Cold War in which there were substantial difference.

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>> In the last 20 years, economic integration became even--even stronger, but stronger also some, let's say transatlantic disputes, GMO, beef hormones, copyright and so on, with some not so important dispute, but quite the number--an increasing number of dispute. And--but also a common effort to find the stronger cooperation in many regional conference from the Middle East to the Balkans. There were really strict cooperation between US and Europe. Different case was during the George W. Bush administration in which there were increasing differences not only in specific matter but also in the vision of the world, unilateralism versus multilateralism and shared sovereignty. The real point of dispute was the Iraqi war. Part of Europe was with American's past against--but there was a deliberate American policy to divide Europe. You know, that never happened honestly in all the postwar period. You remember the debate between old and new Europe? It was just the--you know, I was president of the European Commission

and really you can--really you can't understand how this division was heavy, was difficult for us, was a painful period for Europe. There was no meeting even dealing in different subject in which this division, they'll not come out, you know. And the difference was not only on this part but also in the vision of world, you know, the commission and I personally backed and supported the Kyoto Protocol. And the American administration with stronger gains to clearly--I was aware and I'm aware of the technical difficulties of the protocol, all that deep imperfections. But I did think and I do think that--and this matters in which you have a globe, global consequence you need to have global solutions. Step by step in the time, you know, and be patient, you need--but you need global solution. And in Kyoto Protocol, and the vision of the commission was just the starting of this process, you know, and I think that from this point of view, it was very, very, very useful, you know. But because of this situation, and this was another reason why the Obama election was so deeply backed by European public opinion. Almost some sort of global referendum inside Europe in favor of Obama, you know. And after one year, Obama--president of the European public opinion is appreciating the change of American attitude, but they are also discovering that Obama cannot be a savior. I tried to let's say to make the simple job that any scholar must do in this case. How many times Obama quoted European speech? Never. Maybe for good reasons you know but--and then we shall understand why, you know, this is the preoccupation, you know, and the message that I have to deliver today. But let us make one--step back one minute. What is now Europe? Twenty-seven member countries, 496 million people, number one in world GNP, more than 30 percent of world GNP, number one in world export, more than 17 percent without inter-European trade, also a great laboratory of politics. You know the Euro it's a--is something that is unbelievable. Eleven countries put together a currency, now there are already 16, and they will increase. In the last crisis the Euro was the real, the savior of the--with the Euro we could avoid a, let's say, depreciation, competitive depreciation that would have put the world in a tragedy. And I repeat, it never--it has never been done in world history. Two pillars of the modern states, most of the modern states are the currency and the army and now we have not the--national European national states, the 16 have not anymore a national currency. And this has been, you know--I do remember when I was president of the European Commission of the bilateral meeting to the Chinese government, there was the normal dossier that you have in the traditional meeting, but this was done in 5 minutes and the Chinese president will--only asking about the Euro. Will you really have a common currency? Will Deutsche Mark and French franc disappear? Can I take it in my reserves? And then, you know--and when the Euro came out, the year after--you remember that the Euro went down in the beginning, you know. I was a little, a little shy, embarrassed to meet him again and say, you have given me a very bad advice but I shall go on buying Euro for two reasons, because the Euro will go up and then the year after he was so happy. And second, because I want to live in a multiple world, not dominated by only one country and the currency is the instrument of power. And so I do prefer dollars and Euro, and I shall buy in the future. So many Euros in [inaudible] has many dollars as many Euro, and this has not been materialized for the simple reason that we shall see in the future of my speech. Because Euro in the years after disappointed, they seek petition, you know. Because it was clear that this expectation by the Euro was linked to a political progress, you know, and more political unit in it. But this is absolutely, absolutely interesting, you know. So

when I say that Europe has been the great laboratory of institutional innovation, I am not [inaudible] you know because side by side with the Euro, we had enlargement and the enlargement has been, has been something absolutely, absolutely, absolutely new, you know, to--and it was, it was an exercise that the--has been underestimated, you know, because when the mission that was given to the commission after the fall of the Berlin Wall was to enlarge the union to 5 new countries in 10 years. We did 10 new countries in 4 years and then 2 additional countries in the following 2 years, you know, so it was-- Why? Because it was so clear that you couldn't leave an empty space in Europe, and these years, the last 2 year were the tension between European Union and Russia. I think that this was as clearly understood because I was so much criticized, you know, to open the door to immigrants to blah, blah, blah, blah, to this populist moment that Europe is crossing now, and only after this period, George and so on, you--everybody understood that if you shouldn't--shouldn't have Poland the Union, imagine the difficult situation of Europe in the last year.

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>> And so this is the picture to the Europe, but clearly as I told you before, I do understand that even if there is no hint to the old and new Europe, the European Union is not at the center of American policy anymore. As an academic I followed, you know I worked years ago in the European Center, Harvard Center for European Studies and the [inaudible] like that. You had an increasing interest, you know, American academics about Europe, and now we are clearly a decreasing interest on that, you know. Also because, you know, in the period--this is mine to petition. The period of transformation of all the international representation from G-8 to the G-20 are reinforcing the YMF, but the bricks that wants to be--wants to have a stronger participation to the China that does not anymore talk about dollars and Euro but of a new currency with many currency, and it--and the [inaudible] be in it too, but is quite interesting. Very few years, the old idea, I do prefer to have two currencies as a reference has been transformed. We want a currency represented the most important currency of the world is an enormous change in 5 years, this one. No, in 7 years, in 7 years. And you know, clearly I do understand that Obama does not know to whom to deal for the European programs, you know, and the old program, China the same situation. And the European members still have different views and policy in many areas such as security energy, and economics. And also, it was my experience in the last year in the African policy. Let's say the relics of the colonial period are so strong, you know, and you have France that has a preferential relation with the French speaking African countries, UK the same, and many more in the commission. They only--they only--the [inaudible] that could be taken was to leave [inaudible], let's say the responsibility for let's say the policy with the French speaking country to France. Cold War, it was France, and we follow it, you know. And Zimbabwe, UK, you know. But this makes it difficult to have a really continental type African policy that is needed now to have an efficient policy, you know. And I can multiply this type of example with the--our relation with Russia and energy and all that. This is the picture, last question to answer in this set of question. Will the Lisbon Treaty change that? There is one treaty, does not represent a revolution in the direction of European integration, is a good progress but it provides a set of amendments to the present structure, not any of political

beginning. The history of it is very simple. We proposed the commission strong and very innovative constitutions. This was not approved by the, let's say the commission delegated to study it. A compromise was approved. The compromise was blocked by the French and the Dutch referendum. We have a right to a compromise, of a compromise that is called the Lisbon Treaty. The Lisbon Treaty was blocked by the Irish referendum. Then where the strange fact had a second referendum in Ireland, and especially due to the financial crisis they were completely changed. But also because they are--this referendum are strange referendums. If you say, yes, okay. If you say no, nothing happens. You know, it should be a different referendum in which if you say, yes, it's approved. If you say no, you get out of the union. In this case, you will see everybody voting yes, you know, or because it's a--is a zero loss decision. And so second in all these referendum, the internal policy programs are absolutely dominating, you know. The French referendum was not for Europe or anti-Europe but post--was pro-Chirac or anti-Chirac, you know. So you see how the national picture and the European picture that have, you know, that's so complicated to live, to live together. If you take also the last case, the reaction against the financial crisis, you got an immediate reaction on American side, 800 million--I don't judge if you go there but--but a fantastic immediate reaction. The Chinese even quicker, you know, 585 billion dollar that is still, that is still more in terms of percentage than they use this--US decision in Europe, you know, and the British government just a lot of money to say banks and to put liquidity in their system, the French to defend, especially their industrial companies. The Germans and the Italian till now to do nothing. And so it's--is clearly is a consequence of a different--of a different economic situation is clearly understandable. But how long can you go where the common currency policy and the different economics policy. This is the great question that you have in front of us. You can go on, you can go on, but you are right here in a moment in which maybe a contradiction, you know, it's a--and with no instrument. You know, I proposed to the Eurobonds to intervene for some common public works or common necessity, but the German's didn't want for the same eternal reason. There will be European Eurobonds and Germany will pay for them, you know, so it's a difficult--So in this situation, the US and the European Union members are running a very high risk from being divided. They will be--they have the risk to be marginalized especially in the relation with the United States. The risk of today Europe is now democratic risk, it's not an economic risk because the European global--economy globally taken is much more strong that anybody thinks also the results in terms of the enlargement that's been remarkable, you know. All the new poor country who came into the Union had growth much more than the average. This means that that is also good positive social concept and so with this union, you know. So the results are good but Europe is becoming, you know, really around in the multipolar world, because multipolarity is not a value in itself. We may have an anarchic multipolarism, a conflictual [phonetic] multipolarism, a multipolarism that is both anarchic and conflictual, you know, is a value if accompanied by strategy and agreement, you know. And from the European point of view, the multipolarities noted being thought and organizing. And so especially in front of the conflicting global dynamics, you know, which the relation between the bricks thing to the different attitude vis-a-vis Russia. Germany and Italy globally for Russian to be more simple, UK and France more distant, and so on.

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>> The African policy, I already--I already told the different attitudes. They started--so these are the--these are the Asia and simple program like the Dalai Lama, you know, it's they come out anytime. And so, we need an organized multipolarity in order to return national security in Middle East, Africa, Russia. And this cannot be solved with only by military force. And we understand the thing--the new system, the military dimension alone is not sufficient to solve the problem. Think about Iraq, Iran, Lebanon, Afghanistan, Kosovo. We need an organized multipolarity concerning the international economic order, concerning environment. And clearly this time, everybody talks of lots of power on the US side, but the US remain and would be for the--for civil future, the most powerful country in the world. You know, 50 percent of world military expenditures are on the American budget. But this is not effective. It's not enough, you know, and US, the necessity to rethink deeply to the effectiveness and credibility of American power. And in spite of the weakness, in spite of the criticizing that they have done, honestly done about Europe, I think that the European Union is, let's say, must be first option partner in the sense that we have seen failure and this is not rhetoric, we have all of the same rules. We have this long lasting cooperation that I described before. And clearly, during the Cold War, the transatlantic link was a necessity. Now, it's an option, I don't understand, but I think that is--it is a really convenient option. Difference will be sometimes substantial, but the vision of the war and the global challenge, the general key of the global challenge are really, really, really similar. And I think that in any case, whichever will be in the general policy of United States, it's interest of US to be strongly linked with Europe, and this is my--clearly my option, it's interest of United States to help push, and let's say, press for more integrated Europe. Clearly, this is not easy because UK policy is not going in this direction. But I think that if you look in from Washington, you know, I think that it is absolutely vital to have a strong Europe as an ally with the same type of brain, with same type of failure, you know, it's--and there are also deep in--immediate interest, for example, to putting practical terms. I think that there is a common interest to decrease the tensions with Russia and Russian interest to decrease these tensions. And Russia and US had a common interest in decreasing the military expenses and military buildup in an area in which the tensions are not anymore as in the past and can be easily managed. And therefore, there is no need to expand NATO beyond the existing borders. You know, it's--is a common interest of Europe, Russia, and US to have a long lasting common energy policy. And I think there is also longer--a long--and why not have a long interest for a deal aiming to create a stable partnership among European Union, Russia, and the United States. Clearly, we have also still problems, you know, we should think towards the Singapore meeting on climate, you know. It was really disappointing for many European countries, even there was no illusion to a quick decision for that. But I think that US and Europe have a great responsibility for greenhouse emissions. And they could have a convenient horizon to push for new energies and give impulse to where the economy, even through these new sectors. Last point, an interest should come in governance. We have a common interest to work together. It is not an easy job because I was really shocked because until March and April, we had some sort of moral revolt, you know. If you don't change the system, you

know, we shall go and disarray and from April to now, step by step, we are arriving to the decision that business as usual is the best decision in the world for the world governance, you know. And this is, in my opinion, this is very risky, you know, because it's--and in this case, we have a necessity, a very strong cooperation between United States and Europe. But going back, and then there was like clearly to arrive to this cooperation, to make US--to make for US possible to push and help, and convenient, not probably convenient to push in that European Union, we must--we from the European side, we must be convinced that initial sovereignty cannot remain unlimited into the world in the dimension of the European countries. I repeat, and it was just repeated like a month to my students when I was talking about Europe, I still do that. I said I always do that, you know, I am an Italian. And in the Renaissance Period, the Italian states were dominating over [inaudible] military phase, arts, finance, accounting, technical--the art of the war, and they were the first in globalization, the discovery of America. We didn't stick together and literally disappeared from the world map with the dimension--new dimension of US, China, Brazil, India, Europe, Germany, France, they are in the same situation, even UK, Germany, and France and Italy, it's a--If they don't stick together for this second and much wider globalization, they have no dimension to have a role in the new world, you know. It's not easy to convince country with this [inaudible] to do that but, you know. And--but to arrive to that, we must take some very big decision. First of all, get out of unanimity. The most important decision in Europe are taken by unanimity. And unanimity among 27 countries is impossible. It was impossible when Europe--when I was president of the European Union at 15, it was impossible to [inaudible] the big issues, you know.

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>> In unanimity, you cannot even clean this room if you need unanimity, you know. It's--second look and we've demonstrated that we cannot also take decision not to unanimity. The Euro, only I told you before, 11 countries, and then now 16 countries are members of the Euro. So the new Europe must go on with non-total--with the decision with not all the country participate into them, you know. But the European rule is to leave the door open, otherwise, we'll be under European decision. So the Europe--any European country can get in simply if they want and they are fitted, you know, they are restored to some rules, you know. Second, we need a budget for declared ambition. Nobody knows but the European Union budget is 1 percent of European GDP, nothing. And here all the Mardock [phonetic] papers, they say, you don't--this enormous bureaucracy that cost them, you know, altogether, regional policy, bureaucracy, agricultural policies, so altogether is, in my last budget, was 0.96 percent of European GDP. Federal budget generates 1/3 of GDP, you know, 30--25 percent. So look, this is the second decision. Third one, very blunt, the exit-close. If you don't like it, please get out. In Europe, we must have a door to get in and a door to get out. You know, that's a--and another condition is this will oblige me to the immediate suicide, but the--but we must unify our presence in--into different bodies in the ability which we are united, we are--we count, we have power, but in IMS, in security council, you know, it's is incredible, you know. And even if I am a European, I am--I think wise enough to understand that the eight European countries in the G-20, it is a nonsense because it's not true. This is not a war

that we wanted with the G-20, you know, the G-20 where is the passage from the G to the G-20 were done to a larger representation. If in 20 the chair around the table you have 8 Europeans, this is not correct. For another reason that they are Europeans, they had never an agreement, you know, it's--and so the result is--the result would be the G-2. But not because of a devilish will, but because of necessity, you must take the decision, you know. And so these are the condition in which Europe can be an act of not expected because we have dimension, we have, you know, GNP production capacity, research and development, everything to be an actor. But being divided, we are a spectator. And so, we are in the middle of a crossroad. We must--must be very proud for what we have done in the past because, you know, fantastic innovation in the political government, and the government has been only Europe. You know, that's clear in the last century, Europe was called the innovator. We have been the innovator for politics, governance. We have created wealth, peace, but we are now in a standstill, uncertain between the past and the future, and too often looking with nostalgia to the past, you know. On the US side, US cannot afford the new multiple strategy without the only partner sharing since generation the same values and the same broad strategy. This is my opinion. Clearly to renovate our partnership, European countries should overcome the pride dwarf [phonetic] syndrome. This is the sickness of Europe to be a pride dwarf. And US should stop facing global problems dealing European countries one by one. They must understand that the interest is Europe, not all European country. So these are--this is the end of my observation, you know, and I end with the last sentence. You know, a friend of mine, we were discussing in Madrid about European policy last week and--but as he went to the meeting, posted the blunt question, is European a laboratory or a museum?

[ Laughter ]

>> That's a--think it over, think because we have been the most fantastic laboratory in the world politics and we risk to become a museum, you know. A museum full of masterpiece, you know, most fantastic museum that you can imagine. But a museum is still a museum. And I have been, I think, honest sincere to give you the condition, I think that would be a necessary that we can back to be the best laboratory in the world. Thank you.

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[ Applause ]

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>> Thank you, Professor Prodi. Professor has agreed to take some questions from the audience. If you ask a question, please state your name, your association. And I welcome the audience for--

>> As you say your name and 3 questions, I think. Yeah? Three questions, alright.

>> The gentleman there.

>> My name is Philippe Boquis [phonetic]. I'm a recent graduate of Johns Hopkins School of Advanced International Studies. Thank you for coming for your presentation. I was wondering, in your opinion, could we as Europeans also strengthen transatlantic partnership by coordinating better our European security and defense policy? Is there another measure that we could take and maybe your opinion on the differences among European countries on that matter. Thank you.

>> Second question.

>> The young lady.

>> Thank you for the young.

[ Laughter ]

>> Marisa Lino from Northrop Grumman, and it's a pleasure to see you in Washington again. I'm going to ask you a provocative question, something you have not mentioned, which is tricky. You have Turkey--

>> Because I knew that you were asking it.

>> Thank you.

[ Laughter ]

>> You have Turkey fully integrated into NATO, and obviously different opinion with respect to the US government and the European nations as to whether Turkey should be in the European Union. And as--a corollary to this is Cyprus. Cyprus will take the presidency in 2012. Is there any hope of resolving the Cyprus issue before it takes presidency?

>> The gentleman back here.

>> Third one.

>> Third question.

>> My name is [inaudible]. I am [inaudible] School from Ukraine, and I want to address you another, a little bit drastic questions. You stated that the last instrument of the European Union was a great success and that the European Union should to keep its doors open for the neighbors, for the European neighbors. At the same time, once you mentioned that the Ukraine has as much reason to be in the European Union as New Zealand, have you changed your mind that--since? Thank you.

>> No, I meant that--I told--let me tell you a serious answer that the Ukrainian paper have deliberately misshaped it. I told that if the situation--if the division in Ukraine is so deep and so strong, Ukraine will have the same probability than New Zealand, and it was quite different, my--and I'm still there because when I touched Ukraine to which I am very, very much linked, I found it impossible to talk because Ukraine, it's so delighted with the political life so difficult and tense that nobody dares to touch the Ukrainian problem to come into the European Union except Poland.

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>> Because, you know, it's, you know, it's like putting fire but there's not--in this case, it's not a European problem, it's a Ukrainian problem. As you know, we are in front of election, and we--we're--I don't think there is any hope of having a democratic choice, clear democratic choice about the Ukraine, you know. So how can you have the enlargement in the--so difficult political situation. Completely different from the Turkish pace in which there was an European engagement--engagement since long time. And the problem now is a European problem; it's not a Turkish problem. The Turkish case is quite interesting. There was a repeat engagement, not legally defined but politically real since 1967 or '64, I don't even remember, you know. It was before Christ I think, you know. And--

[ Laughter ]

>> And--by then, it was [inaudible]. Then we arrived in the Helsinki Summit. We were around the table, you know, in this summit in which there was no agenda about Turkey. Chirac stood up and said, "Look, we have talked in a negotiation with Turkey." And what a surprise, you know, because it's such an important issue. And then in order to, you know, end these quarrels and start immediately, [inaudible] that the made the two--they took the table, you know, and went around to us to the--my Belgian and Dutch friend, "Did you know something?" I said, "No, I didn't know, you know." Then Chirac sent Solana and [foreign language] everything was done, you know. And--

[ Laughter ]

>> And then, you know, there was a majority--only one spoke against was the host and chancellor, that member of DNSS, you know, because now history is history.

[ Laughter ]

>> And then we started with the negotiation. But you know, a few days ago, Chirac went home and he found public opinion strongly against. So as a good politician, he found the idea. I am in favor, but we need the proper referendum. We need the proper referendum about the interests of Turkey, Turkey will never get it. Let's be honest. Will never get it for simple, you know, as I was repeat in favor. But I always tell to my Turkish friend, "Look, this is a table--problem for you because history because that. So let us start slow and go ahead step by step, day by day, as--and then again, the peaceful as we did without

the allotment, but keeping more and more time, you know." For a simple reason, I always explain to the Turkish television when I was interviewed, I told look--they asking me why you are so prudent--in favor but prudent. I said, "Look, my grandmother, you know, when there was something frightful, she uses to cry [foreign language]."

[ Laughter ]

>> And so, you have to chain this situation, you know. So it's--but really even in traditional policy, you must--as I told with the Ukraine, if you go on with this division, you will be as far as New Zealand to Europe, you know. Because there are simple rules that nobody wants troubles in policy--nobody wants troubles, you know. Why? To get into this Turkish trouble or get into the Ukrainian trouble with the division that you have, you know. From one side, the division is inside Ukraine; from this side, the division on Turkey. So what I hoped and I hope is this--let's say, this agenda, but I see that Turkey is very, very comprehensively, they are fed up because they have done a lot of good reforms. They have done everything well. I have--everything, almost everything well, you know, I have to say. And now they started an alternative policy. But that is tentative, you know, with Iran, with Syria, taking distance from Israel, changing their policy. Is this instrumental to push European Union or not? I don't know. It's--we should see in the future. But clearly, there is a big change in the Turkish strategy. This is what I think, you know. But in terms of enlargement because this is another point, you know, which are the borders of Europe? Because when I--I do remember in the debate about Turkey, the chancellor called after my speech, caught me and say, "Romano, you were a very lousy pupil when you were in school. You don't even know that Anatolia is in Asia and not in Europe." [Laughter] Because this was the--this was the debate, you know, it's a--and the meeting of the Christian democratic members of the German Christian Democratic member, I did listen a debate in which--and that what it was look, when Turkey--when--and if Turkey will come in, they would be the biggest parliamentary group in the European parliament. Well, nothing strange, but you know, psychologically, for politicians is these are things that, you know--and so this is why I proposed before the debate of Turkey. What I think--well, first of all, I tried to have a debate on the borders of Europe. Impossible. The parliament refused to this debate, too difficult. They don't want troubles, you know, as I told you before. Then I proposed--and this was taken favorably but then it was not materialized. But you know, this difficult situation, you open the door immediately to the former Yugoslavian countries. They are clearly--and the debate, there is a solution for the topmost horrible European political problem we had in the past. So Croatia, Macedonia, then Serbia, Albania, because no problem from the economic point of view. Everybody talks about digestive capacity. Altogether, they have--they are 1 percent of European GDP, even if you inject 5 percent to 1 percent is nothing, you know, though it's--So this is--and then you have all these troops. I don't want that the soldiers--the sons of the soldier that now bring a school, the children and the bakers will bring to school the children of the children, you know, the [inaudible] because--and we have a political solution. So let us go immediately for that. Then create what they--I have called the ring of friends, that they--all the countries from [inaudible] Russia to Ukraine and even directly in the border, like Georgia, or Albania, Israel, Syria, till Morocco, Egypt, if they want. And they can share

everything but institutions with Europe. So trade, agriculture policy one by one [inaudible] in order to create this new idea of the state to complete the idea of the hand, of the nationalistic will fall in, what best fall in state, you know. This I think--this is the-- in the time being is really the--this region must be taken but nobody's working on that. But I think that step by step, we'll come out again. On security policy, well, the differences are big, you know. It's--and I think that they army and foreign policy will be the two last chapters of European unification if the program will start again, you know.

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>> Because of the different idea of expenditure, the idea of keeping NATO and not changing anything, difference also in the enlarging of NATO, you know. I, personally, there are decisions I had taken when I was in the government. I voted against the expansion to NATO to Georgia and Ukraine for the simple reason that in this moment, it was without a doctrine, it was not useful to have this expansion, irritating Russia without an idea of which was the common interest for that. Okay, the other question?

>> One more question and that's a young lady.

>> Only one? Okay.

>> Thank you very much. First of all, I would like to say that that was really interesting and thank you for talking to us. My name is Natalie McKee [phonetic]. I'm from American University. And my questions concern the energy politics. I wanted to ask you whether you think that such pipelines like the Nord Stream will divide Europe more than the Iraq will for example.

>> Sorry, the pipelines?

>> Like the Nord Stream.

>> Nord Stream is and all the [inaudible] pipelines. Look, this just brings me back to the famous Ukrainian problem, you know. This is part of the Russian arm treaty on Ukraine. So Putin decided to, how you say, encircle Ukraine with enough pipeline going through the sea to Germany, skipping Poland and so on and running from the south, crossing the sea, the Black Sea, and then coming to Romania, Bulgaria, 'til Italy. The first one was German counterpart. The second one were the Italian counterparts with another complication that the European Union had decided another south pipeline, Nabucco, going through Turkey. And now, I think my opinion that the Nord Stream is very well had, you know, and is bringing tensions to Poland and I had, you know, I had long meetings on this subject with the Kaczynski twins, you know the president and the prime minister. And they were, for years, you know, they expressed themselves against Germany, you know, in a terminology that I could not repeat here, you know. As always happened--happens when, you know, Russians and Germans stick together, the Polish reaction is, you know, is understandable, you know, but for the old, old problem. My objection to that was very simple. Look, I don't discuss if this is a provocation or not.

It's, you know, but I tell you, I said why don't we work together to link the European pipelines in one network. So it arrives to Germany, but arrives to Poland, the south gas coming from Libya to Italy, it's kind of like the [inaudible], and this was impossible. The European countries have not yet arrived into this program over going to energy policy, you know. So it's a--so we are in this very complicated situation in which we have all the interest to be united, monopoly against monopsony, and when it is termed monopsony then monopoly has, you know, has many problems also because it's not complete monopoly because we had energy and gas coming from both. And now the complication has come out. The situation is even more complicated because of economic crisis, the consumption of gas went absolutely low, you know. And so for the two parts of south that are problems is it now convenient, you know. It's a--Russia wants to go on, you know. I can testify because I was offered to be president of the Southern Stream. I refused it, you know. Probably I shall devastate the finance of my family for many generations. But you know, [laughter] I think that--I think that it's not--is not fair for a prime minister that, you know, ask to be prime minister entering to a political business. You know that's a--but anyway, and now I don't know if--I have not yet made up my mind on how the demand with recovery and how many years whether will be still convenient to make so many pipelines, you know. Clearly, the most convenient choice is only one, to reinforce and repair the Russian pipeline that are disaster, to repair the Ukrainian passage that is also need to repair, to have a joint venture with Ukrainians and, you know, this is clearly--but--And this is also part of that to my Ukrainian friends, how the political situation inside the country makes it much more difficult, you know. And so, put in as, taking the most assertive decision to invest, you know, is I don't know how much the Northern Stream cost. But the South Stream it cost 23--22 billion Euro [inaudible]. You know is enormous, you know. You know, weeks up all the Russian pipelines that now lose a very high quantity of gas. You know, it's part of the political situation is such--such that. You know, Russian does not want, you know, to take, to give up all the onset relation with Ukraine, should we need an [inaudible] compromise. And I think that also because of that there is a deep interest of, let's say, Y negotiation between Russia, US, and Europe on all these issues because I don't see strategic difference, you know, decrease the strategic difference, you know. I think that this could be common interest and common sense, but in politics this is not always the case. Thank you.

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[ Applause ]

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>> Thank you your Excellency. Thank you. We're very honored to have you with us. Thank you. Thank you for coming. [Background discussion] That was marvelous.

^M01:08:57

[ Foreign Language ]