



Truls Øra, Romano Prodi

A New Europe

Romano Prodi talks to Truls Øra

Romano Prodi speaks his mind in a candid interview on the great topics that affect the European Union, its political and economical future, its current member states and internal politics today.

The consolidation of the European project and the enlargement are one of the most important projects for the years to come, he argues, but Europe must also ensure strict borders and decide on its future relations with Russia, Turkey and the Balkans. How will Europe co-ordinate the new member states and how will it consolidate its emigration and agricultural policies?

Prodi also comments on the split between Europe and the USA and the widespread opposition against the Iraq war amongst the European public as well as outlining the military, economic and political challenges ahead for the transatlantic partnership.

The fall of the Berlin Wall did more than sound the deathknell of Communism. The bloodstains left behind in the aftermath of the Balkan war proved that the Old Testament Christianity which has been the scourge of this ancient continent in the shape of wars, crusades and ethnic cleansing ever since, on Christmas Eve in the year 800, Pope Leo III placed the imperial crown on the head of Charlemagne, has expired its sell-by date at last. Prompted by this new realisation that "the ways of the Lord are past understanding", we Europeans unanimously cried "No" to war against Iraq.

– Never in my life have I seen people so dead set against war, says President of the European Commission Romano Prodi in an interview with *Samtiden*. – And because this unanimity of opinion coincided with the projected expansion of the Union and the drawing up of a constitution, it now constitutes the foundation on which the EU's policy rests.

Viewed in this light, Norway's scepticism in regard to the European Union over the last thirty years seems strange. Only now, that the Norwegian welfare state is in danger of breaking down and, in the name of neo-Liberalism, the sacrosanct nation state is recreating past distinctions between classes because some people are grabbing all they can lay their hands on, are people at grassroots level starting to realise that the European Union is not the Europe they rejected, but the Europe we lost because of the Reformation, when nationalism destroyed the old continent in what, in time, came to be known as total war.

– It's not so strange when you think about it, not really, Romano Prodi says. – Unification is on a voluntary basis, by consensus by free, democratic decision. It is a process of reconciliation between free nations. This is inducing increasing numbers of people to feel at home again in Europe and so encouraging them to join the team ...

Berlusconi's outburst

This interview with Romano Prodi was granted just under a year ago, but because I asked that I be allowed plenty of time to talk, after due consideration a date was set: 3 July. "By then," said Marco Vignudelli, the Commission's press officer, "the work on the Convention and of the expansion of the Union will be safely behind us and Prodi will at last be able to sit back and take a breather."

Take a breather indeed! Gradually, as the period of Greek chairmanship was coming to an end and Silvio Berlusconi, to escape charges of corruption, forced laws through the Italian parliament that accorded him legal immunity, to ensure that he would be able to take the helm as a free man, I began to feel a trifle uneasy. It was not so much that I feared that the Italian people would finally rebel – after decades of systematically inundating them with propaganda, the media mogul has them firmly in the hollow of his hand – but that, in the name of democracy, the opposition in the European Parliament, which Berlusconi *doesn't* control, would make clear to him the error of his ways. That was, of course, just what happened on 2 July. It was quite a shindy! Deeply offended and beside himself with rage, Berlusconi lost control and insinuated that the Social Democrat Martin Schultz would fit perfectly the role of concentration-camp commandant in a film about the Nazi era currently being made in Rome. Then, as though that was not more than enough, prompted by primitive political pride, he refused to apologise and instead donned the mantle of the offended party. The wheel had turned full circle. On the very first day of the Italian chairmanship, publicly, for all to see, Silvio Berlusconi gave substance to every prejudice surrounding him.

When I reached Brussels in the morning of 3 July, the area outside the Breydel Palace was like a hornets' nest, swarming as it was with journalists from the international mass media; the *Financial Times*, principally hostile to Italy, in front. One and all, they were bent on ensuring that Berlusconi's head should roll. The pressure on Romano Prodi was extreme: no one was prepared to countenance his icy calm. Not surprisingly, I thought for a moment that it was too late when Prodi's press spokesman, Marco Vignudelli, stepped forward to declare that the President had nothing to add to what he had already said about the matter, that is, that it would be dealt with in the Parliament, where it had all started, and that that was going to be that. Worst of all, all interviews were to be suspended for the next fourteen days "... apart from one", Vignudelli added, pointing to me. "Come on," he said, "we're going to have lunch and we're already late because of all this bother."

Berlusconi's banana republic

– Well, I begin tentatively – I should imagine that to mention Berlusconi's name on a day like this would be a gaffe of the first order. But it is difficult, not to say impossible, for me, after having lived for twenty years in Italy, not to ask you to say a few words about Berlusconi's first appearance on the Brussels stage. Are the outlines of a banana republic discernible in this farce?

– No, Prodi responds in a calm and measured tone. – Here, as everywhere else, we keep things compartmentalised. Anyone who reads my comments on Berlusconi's speech for a second time will see that, by and large, we are agreed on most issues, quite simply because the political agenda on which the future activities of the Parliament rests, is designed for that very purpose. Like everyone else, I am profoundly shocked by what happened after his speech.

But as my role as President of the European Commission is to comment on matters relating to the progressive institutional consolidation of Europe, I have made it a rule not to answer questions on Italian politics. That is a matter for the Parliament. I am sure that it will all be properly sorted out, says the President.

As readers will recall, that is exactly what happened. The European Parliament straightened things out, but the reference to a banana republic was given great prominence. The hullabaloo continued on Berlusconi's home turf when the under secretary of the Ministry of Tourism, Stefano Stefani, put his oar in true soap–opera style, calling the German tourists who, year after year, spend billions in Italy, loud–mouthed, arrogant swine, a remark that prompted Germany's chancellor, Gerhard Schröder, to cancel his annual summer holiday in the country, and resulted in the sacking of the under secretary.

Europe's frontiers have come to stay

– Fair enough, I reply. Now I know where I stand. – Is the rapid consolidation of the European project we are seeing now bound up with the fact that the Cold War is over?

– You've taken the words right out of my mouth, Prodi says, his eyes gleaming behind his glasses. – That's precisely what I said this morning at a working breakfast held to discuss the Union's expansion. By expanding, we have accepted the consequences of the fall of the Berlin Wall. That's obvious: we had no choice. We couldn't possibly have left the East European countries to their fate. They are tied to Europe by the common bond that is our history and needed a link, a structure, one might say, to relate to and, not least, an economic agenda to enable them to develop politically. Anything else would have given rise to renewed uncertainty.

– For that reason I threw myself purposefully and wholeheartedly into the task of expanding the Union, drawing up precise rules for the negotiations and formulating – and this could be of specific interest for your Norwegian readers – definite time–frames for concluding the negotiations. I am speaking here not only of expansion that will include countries that have already completed their negotiations, but also of those that are still engaged in discussions, as well as of the criteria pertaining to applicant countries and, finally, of outlines for the Balkan states, which constitute Europe's last frontier. That's something you must bear in mind, that Europe is defining its frontiers for the foreseeable future, frontiers that encompass also Norway, a country which on more than one occasion has been asked if it wished to be included – on condition, of course, that at some future date you go the whole hog and decide to join the Union.

On the other hand people must be aware that the new Europe is not a doh of marmalade that, left to its own devices, expands according to its liquid form. So as well as saying that the Balkan states constitute for the time being the extreme limit in the east, we have given a very important signal, to which I shall return, to those countries we call "our circle of friends" – they range from Russia to Morocco – to the effect that we wish to maintain as close relations with them as possible, a closeness which can be resumed in the expression "everything but institutions". Something on the lines of the EEC agreement currently enjoyed by Norway. As you will see, it is a very close and firmly based state of coexistence rooted in negotiations with each country separately. It will take time, but we already know that the end result will be clear–cut:

Europe will have established its frontiers and its relationship towards its neighbours.

– *So Russia isn't included in the map of Europe?*

– No! Prodi responds emphatically. – Russia is the most important country on the fringe of Europe. Above all, Russia is not asking to join the Union. – But, he says in a milder tone, "this is the map of Europe as we see it now, in our time. Not the way it's going to be forever, of course, only God knows what the world of the future will look like, but what we are talking about is what seems natural to us today. The Russians themselves are completely in agreement with us on that point, by the way. We confer with them all the time, so it is news neither to them nor to us that they are not included. And let me repeat that why we attach such importance to clarity is to enable member states to feel secure in all they do. We in Brussels are responsible people. That is why the European Union is not a project that will continue to expand for evermore of its own volition, with neither frontiers nor historical or political dimensions. Many people ask, "What about the Balkan states? Why aren't they included this time round?" It is clear to me that the current enlargement will never be completed without the Balkans. Together, the Balkan countries account for less than one per cent of Europe's gross national product, so from the economic point of view they would find membership advantageous. From a political viewpoint it is a different matter. Here we have to take account of the interests of the Community as a whole and proceed cautiously, analysing the internal situation of each single country and ensuring that they all take steps to build and strengthen their democratic institutions – which was, after all, the condition when the other member countries were permitted to join. Those are, in brief, the two procedures we currently follow.

– *What about Turkey, then?*

– Turkey is on the list of candidates. The problem so far has been on the political level. The last time Turkey was under consideration, we concluded that the country had made truly great progress in regard to the demands and conditions put forward at the negotiatory meeting in Copenhagen but that much progress is needed to be done. The Commission will announce its final decision after renewed consideration next year.

– *With this scenario, how long will it be before Europe is once again united?*

– That depends on the applicants themselves, but I should imagine that, allowing a good margin, we should be home and dry in twenty years' time.

Europe is not being built by force

– *One thing is unification, but the constitutional work now being carried out on parallel lines is a different matter entirely. Isn't it a problem that, politically and institutionally, the EU is entering into this expanded union without a constitution or, as many people put it, 'going in backwards?'*

– That question is linked to the fact that, when this question crops up, most people tend to compare the EU with the USA, which when it was founded had both a constitution and established public institutions. Every time the question arises I content myself by saying that when the time came for America to expand, the exhortation of the men at the top was, "Young man, go west!". That's how the country expanded to become what it is now. But all they

encountered were bison and barren mountain ranges. What we are up against are settled and fully developed nation–states, great countries that can look back on thousands of years of unbroken history. Some of them, among them Hungary and Poland, have a longer history than the founder members themselves. Hungary is in fact older than Italy.

At this point Prodi leans back in his chair with a tasty morsel of sea bass poised on his fork, and says with a wide, satisfied smile:

– For historical reasons consolidation of the new Europe cannot proceed quietly and smoothly in accordance with a set of written rules, so no one should be surprised when the Community's expansion is attended by wide divergencies of opinion, heated discussions and changes in the Union. Such things are integral to each country's historical identity.

He pops the fish into his mouth, chews it and washes it down with a draught of tangy Italian Chardonnay before continuing: – What is new is that expansion is no longer effected by the use of force ... The military have left the scene. We have lively discussions, true, but they are conducted in a democratic manner and we argue and reason over questions until we reach over–arching consensual solutions that enable us to agree despite our many differing points of view.

An entirely new experiment

– *Unlike the USA, which, according to Gore Vidal, is slowly but surely undermining the American Constitution ...*

– This is an entirely new experiment! Prodi brakes in. – Each country contributes something of its own. That is the great difference. I take it that the deep and serious bone of contention in Norway is whether to remain aloof for ever more or to get cracking so that you can play a part in shaping the new Europe. You're not alone in your dilemma. Great Britain is currently reft by the question of whether or not to introduce the Euro. Many Britons feel it will pay them to stay clear of economic integration, justifying their stance by pointing to the fact that all–round agreement on monetary union has still not been reached. 'So why not postpone introduction of the Euro?' they say. But if that is done it will also mean conferring on the EU's institutions the right to draw up economic guidelines unilaterally, with the consequences that may have for those left sitting on the fence.

– *Since you raise the matter of Great Britain, I'd like to try to throw some light on another aspect of the historical unity the nation states of Europe are now trying to re–establish – the religious aspect, an aspect that, until the Iraq crisis came up, I never believed would again become an issue. Now that the fiery Christianity of the Old Testament that, in the past, was at the heart of the scramble for territory in Europe is no longer what it was, arising phoenix–like from the ashes is a New Testament–style Christianity in which all are equal in the sight of God. What I am getting at is that, in parallel with the ongoing consolidation of Europe, there seems to be a rebirth of Christianity which is no longer national, Old Testament, territorial, patriarchal, racist or hostile to new developments, but a benevolent, multicultural belief in collective Christian unity in a multicultural society based on law and order. Isn't this a historic turning point which, on closer inspection, we can see springs directly from our own history?*

Prodi nods. – You're quite right. Europe's history is based on the doctrine of the right to use force; that's how our empires were built. Now we – and here I am being modest – are seriously dedicating ourselves to the task of building the road to the future by peaceful means. The expansion of Europe is proceeding along democratic lines, and that will have a significant effect far beyond the frontiers of Europe, because, by force of example we are disseminating the idea of consensus in the world at large. Why do I fight for mul-ti-lat-er-al-ism? Prodi pronounces the word consonant by consonant to underline its importance.

– I'm well aware, of course, of the weaknesses inherent in consensual solutions. We all know their limitations, and we all have to acknowledge them. Nonetheless, we realise, each and every one of us, how important it is to build a new international social order while being alive to the innate flaws in such a new order. Europe is on its way because we are experimenting with a brand-new kind of unit. Whether we shall be successful, I cannot say. It's too early. But the fact remains that never before have we had a better chance to point history in the right direction.

A distaste for war

– But that being so, isn't it, as I have just remarked, important that the Church should so unexpectedly have embraced this experiment the way it has? Isn't that indicative of a deep politico-moral change in the attitudes of the mass of European peoples?

– To be honest, I would never have believed that such a massive and homogeneous popular opinion would surface in the countries of Europe, regardless of their governments' stand on the Gulf war. The heads of government were divided among themselves, but the people were not. This is a remarkable and irrefutable fact. But in my opinion this homogeneity went further than the religious unity proclaimed by the Church. For the first time public opinion in Europe – and, I repeat – in the light of honest intellectual assessment made it perfectly clear that it is in favour of resolving conflicts by peaceful means. Never, *never*, in the whole of my political life have I seen such a massive mobilisation of young people of both the Right and Left behind what I would call a collective fear of war as such, as opposition against taking side in a conflict like this one.

– So is what we are seeing a Europe that is finding itself in both politico-moral and religious terms?

– You are asking a question that I find very hard to answer. I hope you are right – there is much to suggest that you are – but more than that I cannot say. We say in Italy that one swallow does not make a spring. It cannot be denied that in this case the collective mobilisation is an important symptom of what we are talking about, though it is too early to say whether there really is an enduring convergence of Church and society behind the project. This is an important sign of our time. People's awareness has undoubtedly been enhanced. Never before have I been asked by the man in the street questions about the Union's foreign and defence policies the way I am now. In the past, such matters lay outside the interests of ordinary people. Since the war in Iraq, however, there has been a unanimous cry of 'We must stand firm, together'.

The war in Iraq has inflicted a grievous wound

– *Because of the war against Saddam Hussein, confrontation between Europe and the USA has greatly escalated. This is another trend we shall have to reckon with in future, if the American government continues to ignore the UN and public opinion, isn't it?*

– It is important for me to make it quite clear that we have throughout had serious bilateral discussions with the Americans. What do I mean by that? I mean that at these meetings with President Bush and his associates we have enjoyed what we regard as complete freedom, *and* made full use of it. The result of these meetings is there for all to see: the joint destiny that has always linked and will continue to link Europe and the United States of America remains intact. This means that there is no danger of a traumatic break, despite the fact that we are unable to rid ourselves of a few of the thorns that bedevil everyday politics on both sides of the Atlantic. I am thinking of the International War Crimes trial in The Hague, the Kyoto agreement, opinions on Iraq and genetically modified food. Despite opposing views on these matters, we remain in agreement that we should continue to cooperate on a global scale. Although this discord has to a certain extent adversely affected political cooperation on these matters, we are continuing to address ourselves to such issues as energy, air transport, trade, human rights, legislation and a host of other topics related to the problem of world peace in general. In these negotiations we have had an overriding common goal, and that is, not to allow disagreement on some points to destroy the good relations that exist between Europe and the USA! In other words, I do not underestimate the disagreements that have arisen, but neither do I underestimate the significance of the historical bonds that unite us. But there is no denying... – and here Prodi takes a deep breath and sighs – that the war in Iraq has inflicted a grievous wound!

No to genetically modified foods

– *But isn't it also quite unbelievable that President Bush – under threat of economic sanctions – is now claiming that the catastrophic shortage of food that is the bane of Africa is ascribable to us Europeans boycotting his genetically modified foods?*

– Ah! Prodi purses his lips and shakes his head despairingly. – In this area we are fighting, as we say in Italy, so fiercely that the fur is flying. Allow me to say this: – Please, Mr Bush, Africa has nothing whatever to do with this matter! It is quite simply a genuine clash of opinion on genetically modified foods. We Europeans are more sensitive to genetically engineered organisms than are the Americans. The consequence is that we are more cautious when it comes to distributing and using such products. With all due respect for America, you make your choice and we'll make ours. Africa has nothing at all to do with it. That has always been our view ...

– Having said that I have, of course, informed President Bush that the Commission, in accordance with the rules we have adhered to in recent years, is continuing to study every genetically modified product on the market, and that as soon as we are absolutely certain that there is nothing wrong with them and that people may safely eat them if they choose to do so, we shall introduce them on the European market. The Americans accepted this long ago. And they have also understood, of course, that it is neither a question of protecting Europe's food industry nor a mental block, but that the real reasons are political and, at bottom, differing views on how society should be organised. But I repeat: our stance is not an inflexible one. As soon as we have some facts and know we can be sure, we shall accept such products.

– *But aren't genetically modified foods in glaring contrast to ordinary European fare? I am thinking particularly of what people eat in the Mediterranean countries and, for my own part, Italian food, the staples of which are olive oil, bread, wine, tomatoes, garlic, fresh fruit and vegetables, along with refined agricultural products, meat and fish – a sure-fire recipe for good health and wonderful eating as well. Aren't we talking about defending a traditional food culture against American junk food?*

– Not all Europeans live on a Mediterranean diet, though; they have their own food cultures. We must protect all traditional foods against genetic modification, debasing and watering down, just as we must protect Italian and also, for that matter, Norwegian foods. What I am getting at is that it is not a matter of whether we are right or wrong. We are members of a community, and the Community has made its choice. Basing themselves on the principle that care must be exercised in this matter, the nations of Europe have declared with one voice that it is necessary for them to be on their guard against new foods and drugs. We may go a bit over the top at times, especially in regard to drugs that may prove to be of considerable benefit to society, but this is a political choice that we Europeans have made, and the Americans must respect it, just as we respect their choice.

Europe is vulnerable

– *But it doesn't work that way in practice. And many Norwegians are reacting ever more strongly to the fact that the Americans are starting to dictate to us in an increasing number of areas, unlike the EU, which, by insisting on standing by its principles in matters that are also of profound importance to us, is also actually defending our interests. An increasing number of Norwegians are becoming aware of this and opting for Europe rather than the US. This is a considered opinion that overall has resulted in a current majority in favour of EU membership.*

– Let us not forget that the Norwegian society represents a northern Europe in which this kind of political consciousness is exportable – also to the EU system. The basic values on which Sweden and Norway rest are undoubtedly more representative of Europe than of the USA, and that is important, don't you agree? Our society is more complex and in consequence also takes greater heed of the individual.

– *Yes, this basic set of values links me, at any rate, to Europe. My grandmother was a sailor's wife. She smoked Havana cigars because she liked their aroma and, sitting in her rocking chair with me on her lap, was fond of saying: "There's one place in the world you really must visit, young Truls. You must go ashore on that big boat in the Mediterranean, in Geneva, Naples, Palermo, Brindisi or Venice, it doesn't matter where ..."*

– How delightful! Prodi exclaims. – What a nice thing to say. But it is precisely that greatness that makes Europe so vulnerable nowadays. With all its historical perspectives it is a continent at risk, because we have still not managed to re-establish a constitutional society. The problem is that we need time in which to do so, a lot of time. Joining the EU is, in my opinion, the same as choosing the right door in the right house, but it also involves the risk of taking part in a project that may go wrong. Because there is no guarantee that we really shall succeed. What I would like to say to your Norwegian readers is that I can assure them that the premises are of the best; but I cannot guarantee that we shall achieve our aims. It is going to be a long haul and we

are sure to encounter many problems; but with every day that passes it becomes clearer, to me, at least, that there is no other course. Who among us would have thought that the applications from aspiring member states would be supported by no less than 80 per cent of the population in each country? Malta is an exception, of course, but the island's history differs from that of the others. As you know, it is an extremely interesting history, too, divided as it is between two different pasts. But 80 per cent in all the other countries means that their people really do want to join the Union.

That in Norway, a country that has already twice said No, the process is taking so long is because, in my view, with its high wage levels and high standard of living Norway feels it has an alternative to membership. For the new applicants, on the other hand, there is no alternative. They know that, but I should like to add that for my part, too, unification of the Continent is the only alternative for any of us. And taking as our point of departure the common religious perspective we spoke of earlier, that all that battling for territory is a thing of the past ... The fact that the new applicants are coming to us with arms outstretched tells me that we Europeans really have learned something from the tragedies of the past after all.

– You talk about a hand stretched out by rich countries to those that are poor. But how are you going to integrate such vast quantities of cheap labour without undermining the existing labour market and in so doing coming into conflict with the interests of workers in exposed industries? In Norway, which isn't even a member of the EU, companies have already begun to transfer their production facilities to the Baltic states, where labour is cheaper, with the consequence that unemployment is rising with every day that passes. How do you intend to pay the bill for the freedom the poor countries of Europe now expect and will demand?

– In the course of the negotiations we have conducted so far we have tried hard to reach agreement on a set of rules that respects the economic whole. The result is a compromise that is making it possible for the new member countries to develop more rapidly than the existing members are. We have extended a helping hand to enable them to attain our own wage levels in the shortest possible time, and this in turn will make them feel that the choice they made was the right one. That is what I can say, with my hand on my heart, about the problems involved in integration. Needless to say, we could have speeded up the transition process still more by pouring in more money, but, as I have said, in democratic processes what count are compromises ...

Emigration will decline

– But isn't there an economic agenda that will enable the EU to follow the process of economic levelling in practice?

– Bear in mind that things do not unfold in this area the way people tend to think. As soon as a country joins the Union, emigration from it will decline. To put it another way, it won't increase, primarily because the new member states will then benefit from heavy investment – but also because the road ahead has already been prepared for them. We no longer see Poles flooding in to work in the black labour market; their numbers are already rapidly diminishing. So, one: Viewed in this perspective, taken all round expansion will be a stabilising factor, not a source of trouble. Two: Expansion of the Union's borders will afford us greater internal security, though naturally on the provision that we put into practice the decision taken in Thessalonika to treat the outer limit of

the Union as a matter of common interest. One of the major challenges we face is that the frontier in the east between Poland and Belarus (White Russia) or, for that matter, that between Italy and the countries of the Magreb in the south, is looked upon as the frontier of the member states as a whole. To be able to consider the other countries' outer frontier as one's own is an important step towards creation of a sense of European unity, don't you think?

National economic self-determination

– Yes. But I should like to return to the economic agenda I just asked you about, and to explain what I mean I shall say a little about how things are in Norway. In Norway, with its 35 per cent holding in the Oslo bourse, the state is most decidedly the biggest player. But the demand for privatisation has led to plundering raids whose sole object is to grab what we call the family silver, our national assets. The strong and active investors govern our markets. For two billion kroner one of the biggest of them, Kjell Inge Røkke, bought up the key company of Aker, which specialises in offshore construction work, shipbuilding and the building of oil rigs. One billion of that sum he had borrowed; the other billion was in the shape of a straightforward bank guarantee, which means that he didn't spend any of his own money at all. He later sold one of Aker's many subsidiaries, Houston-based Maritime Deep Sea, for six billion.

True, industrial companies on the Continent are hardly American banana monarchies, as, in an economic sense, Norway is. But investors using borrowed money has become a problem because their demand for enormous profit leads to ever-greater mergers, fewer and fewer employees, and the payment of less and less tax to the state. The profits they make help to finance the owners' debts, pay their lawyers' fees, assist in the acquisition of political clout, grease palms, contribute to lobbying and maintain the owners' lifestyles. The state is left with burgeoning outlays in the form of unemployment benefits, retraining schemes, combating crime, bankruptcies and juridical investigation into suspect market operations. This money once financed the welfare state. At the end of the day what we are left with is a small clique of monopolists who control the media and political institutions through their lawyers, lobbyists and parallel network to the political system. For this reason very many Norwegians find it impossible to conceive of a united Europe without strongly centralised control of capitalist operations.

– Well, the fact is, you see, that the European Union does not dictate the rules that govern ownership. The Union's task is to make sure that competition in the marketplace is on equal terms all round, that the countries concerned do not favour their own narrow interests by granting local subsidies or other privileges that may confer advantages in the marketplace. But, just as we don't have rules to limit ownership, neither do we have rules to force national authorities to privatise. We never shall have, either. To us, the issue of state or private ownership is im-ma-ter-i-al.

Again Prodi pronounces the word consonant by consonant to leave me in no doubt that who owns what is in itself irrelevant. – What we are talking about is good or bad capitalism.

– But aren't you, too, afraid that non-European countries will come barging in, buy, then set about asset stripping? In the small Norwegian town of Odda an American company bought up a ninety years old, moderately well functioning smelting plant and closed it down after a short while. Many people

have wondered what was the company's agenda. Do you understand the frustration in Odda?

– Yes, of course I do. But European companies do the same, they buy American and Asiatic companies.

Reason for anxiety

– It didn't help the workers in Odda, I say. – The people who bought it made off with high technology that had been developed in the course of the ninety years of the plant's existence. Now, the price of those selfsame products on the world market has risen by 50 per cent. Doesn't that worry you?

– Operations of that kind may provide reason for disquiet, I agree, but, as I have said, they work both ways. So far their consequences have been more positive than negative because overall they have resulted in more optimal use of available resources.

– All right, let's say that holds good for industrial society, but in the marketplace, in political institutions, banking and credit systems, the effect of people to whom an industrial society is alien, buying-in with borrowed money or money derived from the underground economy – it doesn't bear thinking about. The plutocracy is undermining faith in politics and threatening democratic institutions.

– We have deployed considerable resources in an endeavour to put an end to the laundering of that kind of money, but, as you know, it's going to be a long haul, because there is still no overarching international legislation to make it possible to trace such money before it is put into circulation and laundered. But we do not intend to give up, so it will become increasingly difficult to circulate clandestinely earned money in future.

– I fail to understand how the EU will be able to finance its ambitious plans for the future when such vast sums never come to public notice. Poverty of a different kind is on the increase all over and class differences in Britain are greater today than they were under Margaret Thatcher.

– I have come up against this fear of the future before. The last time was at the university in Vilnius, where a young man said to me: "We've had enough of unions. We don't want to join the EU because we've already had the Soviet Union." My answer was a simple one: "As you see, I'm an old man, so old, in fact, that I no longer remember when you asked to become a member of the Soviet Union ..."

Prodi smiles. – See what I mean? The Soviet Union didn't collapse for any of the reasons you have just referred to, but because it was created by force. As soon as it gave up competing with the United States, the Soviet Union was finished. We are now rebuilding Europe by democratic means, by agreement among ourselves. That is why I am convinced that the European Union is so strong that we shall be able to resolve such problems as we encounter en route without suffering undue damage. Democratic processes take more time to bear fruit, but for that very same reason they are more firmly entrenched and resilient. In a nutshell, they are more difficult to do away with.

The USA is a firmly established democracy

– *What about the US? Critics like Noam Chomsky maintain that twenty years from now America's time as a great power will be over, because the upkeep of its military machine costs too much money. In view of the control the US exercises over us, won't it take Europe with it when it falls?*

Prodi shakes his head. – I don't think so. We mustn't forget that the USA is a firmly established democracy. When it comes to the crunch, the United States will take the decisions necessary to prevent that happening. That's the big difference between democracies and authoritarian societies. As long as governments continue to change, democratic nations will go on making mistakes, big ones, too. That's the way things are. But they will never make mistakes of such a magnitude that they cannot be corrected. And although many people claim that the American economy is overstretched, I am convinced that the country as a whole will set itself to rights. The strength of democracy lies in its flexibility.

– *Gore Vidal contends that the USA is no longer a democracy. And when, at the age of 78, an author of his standing, loyal as he has always been to the American Constitution in both speech and writing, has been put on the government's list of persons considered a danger to the state, and is searched whenever he leaves and enters his own country, many will agree with him.*

– Pardon me. I'm President of the EU Commission, but at Atlanta airport my shoes were subjected to close examination. My diplomatic passport was of no help whatsoever.

The anxiety resulting from 11 September

– *Don't you think they tend to exaggerate over there?*

– Yes, but that's because of the anxiety resulting from 11 September, Prodi answers gravely. Let's hope they soon get over it.

– *Yes, because we're paying a high price for 11 September, don't you think?*

– Much too high. But I repeat, I am convinced that a democratic society [like America] will correct itself for the better.

– *It doesn't seem so at the moment. President Bush is threatening to go to war against Iraq. And if he does, what are we going to do?*

Prodi doesn't hesitate. – The same as we did before the last war against Iraq! he says.

– *But isn't this discord a threat to NATO cooperation?*

Prodi shakes his head. – Close cooperation with the USA on defence matters will continue also in the future. NATO will remain the proper instrument for maintenance of world peace. If there is continued disagreement over the right to employ military force to solve political problems, our line will be the same as it was during the Iraq crisis. On the other hand, if the Americans listen to us we shall be laying the foundations of a joint defence policy which will gravitate towards what you referred to just now, that is, a new democratic world order. Whether we shall reach the point where we can put the Old Testament behind us, I cannot say, but our fate will most certainly rest more in our own hands than at present. The alliance with the United States will remain

in force, but Europe will become stronger, more of an equal and better placed to stand by its own ideas.

Democracy evolves slowly

– But a joint European defence policy is still a long way off. How are you and the European Union going to bring it about?

– The fact that the Commission now has a foreign minister is a big step forward. What we must do now is to set about equipping this consensual solution with a set of rules that will bind the Commission and member states closer together in this area. After that, step by step, we must see to it that implementation of foreign policy is placed in the hands of a parliamentary majority. We haven't reached that point yet, but I don't mind admitting that the Iraq crisis and its repercussions speeded things up. This notwithstanding, it will still take time to put together a joint European foreign policy. It took us forty years to create the Euro, so I wouldn't be at all surprised if this takes a long time too. Democracy evolves slowly. Still, whatever happens I prefer a slow and democratic instrument to one that is fast but undemocratic.

The agricultural revolution

– During Greece's chairmanship, in the face of stubborn resistance the EU finally resolved to cut back on subsidies to agriculture. This reform has been introduced after many years' criticism of the Union's agricultural policy. Why did it take so long?

– Because it's revolutionary and because what is at stake is this. When the EU first saw the light of day there were two kinds of agricultural policy in operation. One was the British, which aimed to bolster farmers' incomes. In practice, if a farmer earned, say, 200 pounds a year, the government chipped in with a similar amount to ensure parity with earnings in the community as a whole. The other was the French, which used subsidies to boost sales. At that time Britain was not a member of the EU, and that is an example of the grave consequences resulting from non-membership, as the model we chose was the French one. Now the Union's agricultural policy, complex as it is, is firmly established. The new member countries also wish to become a part of the vast market for agricultural exports the Union represents. The EU is an industrial giant also, and exports considerable quantities of industrial products, with the result that its members are under obligation to open their borders for importation of products from their fellow member countries. That applies both to consumer goods and to foodstuffs.

If we treat these basic elements as one, you will understand why we are now switching from an agricultural policy that favoured quantity to a fixed-price policy in which quality will take precedence over over-production. As a custodian of European farmland, the farmer will now be in a pivotal position in matters relating to environmental conservation – at the same time as agricultural production will be adapted to accord with trade between member states. That explains why there has been such opposition to the changeover in every sector of agriculture that has relied on subsidised mass production.

– Is what we are seeing the shadow of an integrated agrarian economy based on the Parma – principle, an industrial–agrarian economy in which the production of manufactured products will pay the bill for agriculture itself?

– It's too early to say. But we definitely intend to favour typically geographically linked products of high quality. It is difficult to know how far we shall get, and how quickly we shall progress, as large farming countries like the US and Australia are opposed to that kind of thing. Personally, I refuse to back down. Europe is Europe, just as champagne is champagne and Parma ham, Parma ham, which is why no one is allowed to call their products by those names. There are also economic reasons for pursuing an agricultural policy of this nature. Because the added value is so much greater, the areas the quality products concerned come from will be enabled to make a living from them, because the one is a concomitant of the other.

– In Norway we subsidise both farmers and foods. Our natural products are of good quality but they are so poorly processed and refined that the resultant added value is so little that the flight from the land is actually beginning to empty the countryside of people. Despite this, many Norwegian farmers still believe that they will lose everything if we join the EU. What have you to say to these sceptics?

– I don't know whether it will put their minds at rest, but I am convinced that a harmonised market for agricultural products in which farmers everywhere produce and sell them on equal terms, is the best – and possibly the only – guarantee for farming in the future. And I repeat: such harmonisation will not encourage competition among farmers, as it will put their products on an equal footing in the marketplace. Competition increases when someone dumps prices or subsidises the goods they have to sell. I am strongly opposed to this, as it undermines the European plan for a common market. No matter in which country they live, I want people to be able to buy the things they themselves want. They can't today because some products are not available at the right price. I am unwilling to yield on this, as I am convinced that it will be to the advantage of all concerned.

No European superstate

– You speak warmly of laws that will put all agricultural products on an equal footing, but at the same time you do not wish to introduce laws to prevent people speculating in shares, flagging out and asset stripping.

– No, I don't, because, as I said earlier, our most important task so far has not been to impose restrictions on trade but to enact laws that enable industrial products to compete on equal terms in the marketplace. Having said that, I should like to add that no one here in Brussels would want to prevent a member country from making its own rules to deal with this kind of problem. What we have is actually a regime that exercises dual control. What we are aiming at are rules that will bring out into the open all that goes on in stock exchanges, the marketplace and banks. We are also directing our attention towards anti-trust legislation, to curb monopolisation. But, speaking generally, there is no plan to transform Europe into a so-called superstate, as the British maintain. No one is even thinking along such lines. Articles suggesting that there is such a plan make me laugh, because they do not reflect the true state of affairs at all.

– But is it any wonder that ordinary upstanding citizens are afraid and sceptical of a Europe that is being overrun by people whose one political aim is to enrich themselves at public expense, at the expense of a sector whose gradual decline will leave behind a ghost at which neo-Liberal upstarts can triumphantly cock a snook?

– No, you're quite right, it's not. The 1990s suffered under unrestrained individualism and market speculation, but people have changed over the last few years. Not because individualism and the desire to enrich oneself at the expense of society at large has diminished, but because we have found a politico–moral vaccine rooted in the laws governing the market economy itself, a vaccine that will enable us to combat stockjobbing based on inflated figures, as in the Enron scandal and other scams of a similar nature that we are glad to have seen exposed. It has become clearer to everyone that we must be on our guard and keep a closer watch on things. People now understand more of what modern economics are all about – that globalisation puts us all in the same boat. The decline in purely speculative operations represents a major victory for the Community at large. But again, what the future will bring I cannot say, as it is the product of the collective unity by which the political institutions plot their course. The future is, as I have said, the Community's responsibility. But now we really have in place a clearer ethical understanding of the risk the civil community runs in worshipping unrestricted liberalism. The dance around the golden calf has never lasted for long and its consequences have always been very great indeed. But again I must stress that the rules by which the economic game is played must be laid down by the market itself, quite simply because we have no other instrument to put in its place.

A stop has been put to the ravages of turbocapitalism

– But aren't the speculators really breaking capitalism's own laws when they link the profits they make in the marketplace to monopolistic, patriarchal ownership? Isn't that what Marx had in mind when he asserted that capitalism begins to devour itself by the tail the moment profit resulting from ownership replaces profit derived from the production and sale of goods? Or, to put it in another way, in the parable about the Two talents Jesus simply taught the poor that money, created as it is to utilise the relativity of ownership, multiplies when it changes hands, a teaching that is directly opposed to the concept of ownership in itself, which disintegrate when divided. Is what we are witnessing the two dialectic contradictions in the history of power? Can it be so simple?

– No! says Prodi emphatically. He leans back in his chair and smiles. It is as if he, and not the Dalai Lama, is the reincarnation of Buddha. – It's not that simple. If it had been, the world would long ago have been a different place. It's not just a matter of getting people to understand, but of getting people on the political plane to agree that solutions arrived at by consensus really are the best. It's not easy. In Italy we have a saying to the effect that the heart of man is made of stone. I won't mention names, but there must be an infinite number of companies and private persons who have raked in enormous sums of money by bleeding the market by buying up companies. It is for that very reason that turbocapitalism is being so severely criticised nowadays.

– Because in this way capitalism is devouring itself by the tail?

– Precisely! Prodi nods in agreement. That is why we are now exercising greater control over transactions of the kind we are talking about than we did only a few years ago. Unrestrained capitalism reached its peak in the mid–1990s and its destructive effect has taught both us politicians and the world of finance that a stranglehold on the stock market has a destabilising effect. We have learned from this, and have no intention of allowing the same thing to happen again.

– *I'm not so sure. A Norwegian investor with ambitions to become Norway's answer to Rothschild once asked me to find him a vineyard in Montecalino. I found him one that was going for 30 million Euros, but it was not until we got there that he produced his pocket calculator and earnings tables for loan-financed purchases and asked: "Is there a bank in the neighbourhood that can lend me the money?" I took him to Margherita i Banca Verde (the Agricultural Bank). You know who he is, I'm sure ...*

– Yes, yes, I know him.

– *For safety's sake he took with him to the bank the newly appointed director of Monte dei Paschi, Dr Peruzzi, and the bank promised him half of the sum he needed as soon as he placed his own half on the table. At that point the Norwegian said smoothly: "But since I am to borrow the other half at home, I shall also need a bank guarantee from you!" At that, Dr Peruzzi leaped to his feet, stamped his foot on the floor and said to his colleagues: "Does this idiot think he can come to Italy and buy a prominent vineyard in the best Brunello district like that?"*

– For nothing, in other words, Prodi says, nodding sagely.

– *And pay for it by selling the owner's own wine? Dr Peruzzi then strode out of the room. "That's how they earn their money, by playing the system and getting other people to pay for them."*

– Well, once again I must say that that kind of unbridled capitalism can only be stopped by legal means, by laws that it is up to each country to pass on its own initiative. Here in Brussels all we can do is to try to exercise greater control over credit institutions.

Expansion demolished the Iron Curtain

A secretary enters the room to inform Prodi that the Commission, which was holding a hastily convened meeting to discuss the furore over Berlusconi, is waiting for him. In other words, it's time for the final questions.

– *Will there be a life after Brussels for President Prodi? I ask.*

– For me? I don't know. My sell-by date is 31 October next year. What will happen after that I've no idea. Everything's changing so rapidly here. When I arrived on the scene, nobody else wanted this job. Now I'm happy to say that everyone does. It may prove difficult, but there's a chance that I shall be re-elected. I enjoy my work, it has given me much satisfaction, so if the European Union wants me to, I'll stay on.

– *What's been the best thing about it?*

– The Union's expansion! Prodi's face lights up and he gives me a broad smile. – And the introduction of the Euro. I have enjoyed two emotional highlights. One was when the decision to introduce the Euro was finally put down on paper; then there was the time when, by appending our signatures, we demolished the Iron Curtain. That really gave me a kick. But everyday life here is full of interest and excitement. There's the Commission's work to bring about reforms, it's proceeding slowly, a bit at a time, and is still not completed, but it's moving in the right direction. Then we have the Galileo project and the tax package, with its new rules, which are nowhere near as good as we'd like

them to be. Still, we've made good progress. Then there's the advances we have made on the environmental conservation front, in regard to equal rights in the workplace for men and women and in the campaign for safe food – all these things, milestones on the way, have meant a lot to me, but the crowning moment was when I was first able to slip a Euro into my pocket – concrete proof that we were enjoying a new economic reality in Europe. An equally momentous occasion was the signing beneath the Acropolis in Athens of the agreement to expand the Union; that was a truly wonderful political experience.

– *You haven't mentioned your work in connection with the Constitution in the Convention.*

– I'm not directly involved in that. Admittedly, I was engaged in the initial stages, but apart from that I had no formal responsibility. Well, there too we have made considerable progress. Yes, a lot. But in my opinion we can still let the majority decide in more issues. Democracy means majority rule. The right to veto a motion is anti-democratic, and we are still far too much at the mercy of veto votes. Examples include election of the Commission's president, foreign policy, defence policy, certain aspects of taxation policy – vetoes in these matters are, to my mind, what are preventing us from implementing the reforms the EU needs. So in the report I shall be writing this autumn I shall stress the need for government by majority decision, with its basis in each individual country and the different majorities in these countries as a basis for all the resolutions we pass.

– *And the saddest thing?*

– The saddest? Prodi thinks for a moment, then says with a deep sigh: – The conference in Nice in December 2000, that and the awful feeling that everything we had fought for lay in ruins. To take part in a summit meeting that was intended to take the Union a big step forward and then to be compelled to take a step backwards because, for a brief moment, one country put its foot down, was incredibly depressing. But that's the way it is – some countries look upon Europe as a central station they can slip into when they need to but which they steer well clear of when it doesn't suit them. In my opinion not only does this point to an erroneous interpretation of the lessons of history, it is also a betrayal of generations of Europeans to come, generations that will need a clear picture if they are to have faith in what they see. Little or no progress was made in Nice in such central areas as constitutional unity and a common taxation policy, and I found that a great disappointment.

– *What happened?*

– A veto right can turn a dwarf into a giant: lobbying, clandestine nocturnal meetings, cards hidden up a sleeve, high-handed contempt for political challenges and the moral codes decent politicians abide by – that, for me, is what voting at majority is all about. That is why I say no, no, no and no again to that kind of political blackmail! Prodi slams his fist down on the table so hard that the coffee cups rattled in their saucers.

– Give me a system in which everyone puts their cards on the table, a system in which every person votes by raising his hand, concludes Romano Prodi, President of the EU Commission.

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