

**Prime Minister Helle Thorning-Schmidt's address at the Matthiae Mahl
Hamburg, 21 Februar 2014**
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Sehr geehrter Herr Erster Bürgermeister, lieber Olaf
Sehr geehrter Herr Bundesminister, lieber Frank-Walter
Sehr geehrte Frau Präsidentin der Hamburgischen Bürgerschaft und Mitglieder des Hamburger Senats und der Bürgerschaft
Sehr geehrter Herr Ministerpräsident, lieber Torsten Albig
Sehr geehrte Frau Ministerin Spoorendonk, liebe Anke
Sehr geehrte Damen und Herren

I am truly honored to be here today at the Matthiae Mahl, the oldest ceremonial banquet in the world. The continuity of more than 650 years is indeed impressive. It is much shorter, however, than the relations between Denmark and Hamburg.

At the time of the first Mahl in 1356, Danish Vikings had rampaged through the city's narrow streets 500 years earlier. Christianity had already entered Denmark through Hamburg. And the Danish rule of Hamburg - die Dänenherrschaft - had ended more than a hundred years earlier.

And until the 19th century, Denmark and Hamburg were, of course, immediate neighbors. Altona was ruled by the Danish monarchy and were one of Denmark's most important harbor towns.

Today, Denmark and Germany enjoy close and excellent relations. Danes go to Hamburg to enjoy a shopping spree, rather than burning and pillaging. Germans enjoy their summers along the Danish beaches. Over the coming years, the establishment of the fixed link over the Femern Belt will open up new possibilities for further strengthening our economic, cultural, and political ties.

Throughout our history, we have, like all neighbors, at times cooperated, at times quarreled and at times fought. We have influenced each other culturally. We have traded with each other. We have competed for markets and resources. These common experiences no longer divide us, but bind us together. The result is a relationship which is better and stronger than ever before in our joint history. The level of trust and confidence between our two countries is unprecedented – and even in today's Europe, quite unique.

Our common policy on minority rights is a tangible expression of this unique relationship. The Copenhagen-Bonn declarations of 1955 regarding the rights of the Danish and German minorities are an immense success story. This policy has been expanded over the years. It not only benefits our two minorities but also serves as a model for minorities elsewhere in Europe.

Ladies and gentlemen,

This year 150 years have passed since the war of 1864. Together, Denmark and Germany will mark the commemoration through a series of events. In memory of the victims. And in celebration of the extraordinary progress we have been able to make in the span of just a few lifetimes. We have indeed learned from history.

We also commemorate that one hundred years have passed since the beginning of the First World War. A hundred years ago, in the early months of 1914, contemporaries could not imagine the catastrophe which was about to be unleashed.

Mistrust, secret diplomacy and great-power rivalries formed a recipe for disaster. Confrontation and brinkmanship, rather than compromise, shaped decisions. The political extremes, rather than the political center, were allowed to drive events.

It took a generation of carnage and immense suffering before Europe had drawn its lessons.

Today we can celebrate how far we have come within the time span of just a few lifetimes. The European Union is an incredible achievement. Strong institutions provide the framework for solving conflicts of interest. Compromise is built into the DNA of our cooperation. The values of democracy, human rights and freedom bind us together.

Member States have enjoyed the longest period of peace ever in the history of our tormented continent. European societies are more democratic, more prosperous, and more secure than ever before. European citizens today enjoy rights and wealth which previous generations could only dream of. We sometimes forget that.

The construction is not faultless. But the problems we face today pale in the light of Europe's troubled past. Today's Europe is by far the best we have ever known.

The achievements of the last half century must be preserved and further developed for the sake of coming generations. I am a European for my children. I know that, ultimately, their liberty, their security, and their opportunities will depend on the Europe that we build.

Ladies and Gentlemen

This year we will elect a new European Parliament. And we will appoint a new European Commission, a new President of the European Council, and a new High representative. That only happens every five years. It is a good occasion to look ahead at the challenges facing the European Union. And to discuss which direction to take.

We are on our way out of the most serious economic crisis Europe has seen for many decades. In the darkest hours our financial system was on the brink of collapse. Some Member States were at the brink of bankruptcy. The Euro was under threat. Unemployment reached unacceptable levels. Some even suggested that the European Union could fall apart.

All that did not happen. We managed to pull through.

Now, what can we learn from the crisis?

I personally take four observations with me with a view to the next five years:

Firstly, I believe that we have proven that the European Union is capable of dealing with serious crisis.

Skeptics claim that the economic and financial crisis has exposed the weaknesses of the EU. Yes, it might have. But the crisis has also shown its strength.

We have taken responsibility. We have taken the necessary political decisions step by step. It has been very difficult at times - and not always very pretty.

The technical nature of our negotiations, the drama of rescue packages, and the natural focus on conflict rather than compromise often prevent us from seeing the bigger picture.

But the reality is that we have made extraordinary progress. Progress, which very few people thought possible during the darkest days of the crisis. So far the doomsday prophets have been proven wrong. The Euro did not collapse. The European Union did not disintegrate.

Of course, there have been difficulties along the road. It has not always been easy for 27 - now 28 - Member States to agree. The process can be cumbersome and messy. But that is exactly the nature of our decision making. It is called compromise. It is compromise that has brought Europe forward. And it is through our willingness to take the necessary decisions and to make the necessary compromises that we will continue to make progress.

Germany has often brokered the necessary compromises and helped ensure the strength and soundness of our European construction. My government has appreciated that Germany has not shied away from accepting the burdens of leadership and responsibility in Europe. You have reason to be proud of that.

My second observation is that in times of crisis the centrist parties need to stand together and take joint responsibility.

During the crisis we have seen that the readiness to innovate, the willingness to take responsibility for difficult decisions and to make the necessary compromises is found at the political center. We have found solutions. We have achieved results.

But taking responsibility for difficult decisions comes at a price. The political fringes - both to the right and to the left - are ready to exploit the uncertainty and dissatisfaction that follow from crisis. With populist cries and easy solutions.

It can be tempting to believe in the false promise that our problems can be solved through quick fixes. I expect that the political fringes will do well in the European elections in May. We should not let that weaken our resolve. We must stand by the decisions and compromises we have made. I think we have reason to celebrate the results we have achieved so far.

My third observation is that we have to get through the crisis without compromising our values.

The European Union is a community of values. It is founded on democracy, freedom, human rights, rule-of-law, tolerance and equality.

It is a historic achievement that we have succeeded in consolidating these values in the European social model, the welfare state. These values and our social model are part of our common heritage. We have fought hard through centuries to arrive at where we are today. In our efforts to get through the crisis, we must not jeopardize any of them.

I disagree with those who say we have to give up our social model to become like everyone else. To become like our global competitors. That is not the way forward. The way we have organized our societies is exactly what makes Europe unique. We have built societies based on equality, where everyone has a fair chance in life regardless of social background. The mix of sustainable economic growth and social cohesion is at the core of the European success.

Our European values are a source of spectacular strength. They make the European Union immensely appealing to neighboring countries. Anyone in doubt should look at Ukraine or the Balkans. Ukrainians are attracted to the EU because of our values – not in spite of them.

It is also those values which guide our foreign policy. I would like to take this occasion to commend you, Frank-Walter, for the great leadership which you have demonstrated regarding the tragic situation in Ukraine. The agreement which you – and your colleagues from France and Poland – facilitated yesterday is a very important break-through.

I welcome that Germany is ready to take responsibility and act decisively on the international stage. I know that this is something that you have called for yourself recently, Frank-Walter.

Ladies and gentlemen,

As I mentioned, our European values and our social model are a source of great strength. But if we want to safeguard our special social model, we will have to modernize it.

This leads me to my fourth observation: if the European Union is to remain economically strong, we need to continue to develop and reform.

Europe's future depends on our ability to drive research and innovation in products, services, and business processes. And on our ability to reform our labour markets, our educational systems, and our public sectors. We must be open to change and strive to increase productivity.

A hundred years ago Henry Ford revolutionized the production of vehicles with the introduction of the assembly line. Today, the world is witnessing a new industrial revolution. Technology once again paves the way for a more effective production.

Our challenge is to become more competitive by doing things smarter. That means creating a strong foundation for innovation and research. We have to provide our businesses with the right framework conditions to come up with the best ideas. And we must invest in education.

A lot can be done at the EU level. And a lot has been done. But the reality is that the bulk of the work has to be done at the national level. There is no way around serious national reforms to make our economies more competitive.

In Denmark, we have pursued an ambitious reform agenda. We have brought public spending under control. We are underpinning job creation through a wide range of investments. We have taken steps to improve the competitiveness of companies. And we are developing our welfare system in a way which ensures a reasonable social balance.

Responsibility ultimately rests with the governments of each Member State. The European Union is much too often made a scapegoat for necessary reforms. Member States must stop blaming Brussels and assume responsibility for their own actions.

Ladies and gentlemen

The Danes have earned an undeserved reputation for being Eurosceptic. Mainly because of our opt-outs.

In reality that is far from the truth. Poll after poll show that the Danish population is among those in Europe who are most satisfied with the European Union. According to the latest opinion polls, more than 70 per cent of young Danes approve of the EU leadership's job performance. This is on par with the German numbers and among the very highest of all Member States.

Some Member States tend to distance themselves from Europe. That is not the case for my government. We want to remain as close as possible to the core of the European Union. And it is still my personal conviction that it will be better for Denmark to get rid of our opt-out and join the Euro.

The fact that Denmark has not adopted the Euro is an obvious limitation. We do not participate in the meetings of the euro-group. Of course we fully understand that the euro countries need to discuss certain things among themselves. And Denmark has consistently supported the steps to stabilize the euro.

A strong euro is also in our interest. We have engaged actively and pragmatically in the discussions and decisions on the Economic and Monetary Union. We are part of the Fiscal Compact. And we participate constructively in the negotiations on the banking union.

I hope that the German government and other Member States which we consider close and likeminded partners in Europe bear that in mind. I see Germany as a strong ally in our efforts to ensure that the further development of the European Union will be based on openness and inclusiveness for non-euro countries such as Denmark.

Ladies and gentlemen,

In this year of commemoration, we can look back at our achievements with pride. And we can look ahead with confidence. As I have laid out tonight, the European Union has demonstrated its capacity to take the necessary decisions at a time of crisis. And the EU can exit the crisis stronger than before. But to do that we need to take the necessary decisions across the political center. We must continue to reform and develop our European societies. And we have to stick to our common values.

I believe our two countries have much to gain by working closely together – bilaterally as well as in the European Union. The time when Vikings rampaged the streets of Hamburg are long gone - and so are the wars that we commemorate. Let us not forget this historic perspective, when we address the challenges of today.

I would like to propose a toast. To Hamburg and to the relations between Denmark and Germany, which have never been better. And to our continued cooperation, which we have particular reason to celebrate this year.