"DIRECT ELECTIONS AND ENLARGEMENT OF THE COMMUNITY"

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Ladies and Gentlemen,

To have been involved at the beginning of any great enterprise is an enviable thing, and while I am here today to express the admiration of the Commission for the service you have given to the Community institutions, I am fully conscious that you need no reassurance of the worth of what you did. It would be superfluous - I would almost say presumptuous - for a relative newcomer to the European scene such as myself to praise your achievements as servants of the Community in its formative years. For those achievements are shiningly evident to everyone who looks, to everyone who understands what has happened in Europe The institutions, so weighty and over the past generation. familiar that one can scarcely credit how new they still are; the policies, debated and contested on many sides but almost universally accepted as being, in one form or another, necessary policies; the growing sense in peoples minds that there is a common identity linking our citizens across the frontiers of the Nation States - these are your accomplishments, and they deserve to be your pride. It is consequently for me an honour to have been invited by you, and to express my gratitude.

I would also venture however to express something else, and that is my envy, as I hinted in my first remarks. For if the task of pioneers is difficult and demands great qualities, it can also be very rewarding. You who were the pioneers were able, in a short time, to establish a system which has transformed Europe; your first years were characterized by a nearly continuous and dynamic progress towards goals clearly seen, and eminently worth achieving. Your story was one of success piled on success. I have heard veteran servants of the Commission speak nostalgically of the exhilaration one felt in those years, the enthusiasm of colleagues, the sense that each day might bring a new victory for Europe. I know myself how infectious this spirit was, because I too was able to share in it, though at several removes, as a citizen of a country not yet a part of the Community, who watched with excitement the events unfolding in Brussels and Luxembourg. To have been at the heart of those events is, indeed, truly to be envied.

I do not sketch this impression of a golden age in order to suggest that what has followed it is dross. I merely acknowledge that the pace of progress has slowed noticeably in recent years, that difficulties have arisen which were not all foreseen — and could not have been — by the Community's founders, and that the period which we have just passed through may be regarded as one of consolidation, and of prudent advance in certain sectors, rather than of dramatic progress. We may not be having quite as exciting a time as you enjoyed in the first years, but I believe we can still claim a record of solid achievement in a period of real difficulties.

The difficulties of course are well known. The world-wide economic crisis has accentuated a tendency already evident well before the upheaval of 1973 - '74: I mean the re-assertion in Europe of national interest as a guiding principle in the policy of states.

One cannot doubt that the Community's great successes during its early years were facilitated by the fact that, in the aftermath of war, the spirit of nationalism was extraordinarily subdued in Europe. Perhaps, indeed, it was unnaturally subdued. It has now, in any case, enjoyed a modest resurgence.

I do not myself lament this phenomenon, since I do not see how things could have been otherwise. But one has to acknowledge that the limited re-emergence of nationalist feeling, together with the economic difficulties which have both accompanied and encouraged that re-emergence, confront us now with problems in maintaining momentum towards European unity. And I would add that there are new challenges about to confront us which could, if not met with determination and intelligence, place us in still greater difficulties.

For I believe that now the period of consolidation, of patient advance which followed the early, dynamic phase in the Community's life, must come to an end. In its place we shall find a period in which, whether we like it or not, bold choices will have to be made. If we make the wrong choices, or none at all, it is hard to see how we can avoid the progressive dilution and weakening of our system, and eventual decline into the condition of a trading bloc of more or less friendly states.

The event which will force these choices upon us is, of course, the Mediterranean enlargement. Towards the end of this month, if all goes well, the heads of government of the Nine will travel to Athens to put the seal on Greece's adhesion to the Community. Sometime in the early 1980s, perhaps only a couple of years from now, the same ceremonies will take place with regard to Portugal and Spain.

I rejoice at this development: a Europe without Greece and the Iberian peninsula would be a rather parochial place, just as a Europe which excluded certain countries because of their relative poverty would not be worth belonging to. But it must be said that we owe it to the Greeks, Portugese and Spanish - and we owe it to ourselves - to ensure that the Europe which they join is strong, cohesive and capable of responding to their needs. In particular we have to ensure that the fact of their joining is not used as an excuse for the abandonment or the adulteration of common policies, on the grounds that these policies will now be much more difficult to achieve.

There can be no denying these difficulties. In particular the regional problems of the Community of twelve will be enormously aggravated by comparison with the Community of Nine, let alone that of six. Let us dwell on a few figures which suggest both the extent and the gravity of the regional difficulties we must expect.

The three Mediterranean states have a combined population of some 55 million. Of that figure some 34 million - that is, almost two-thirds - live in areas where the average income is sufficiently low to attract the support of the Regional Fund under present Community rules. This gives an idea of the extent of the problem. But its intensity is even more remarkable. One may illustrate it again with figures, drawn up by the Commission services.

In the present Community the disparity in wealth between the richest and the poorest areas, which are, respectively, the Hamburg region and the West of Ireland, may be expressed by the ratio of six to one. (This figure is based on average per capita income, and does not reflect variations in purchasing power). But the disparity between Hamburg and the poorest region in the applicant countries - that is, the poorest region of Portugal - is fifteen to one. This is a truly staggering figure, but it gives some idea of the enormity of the problem we face with enlargement.

Disparity of wealth, even on this scale, does not of itself make it impossible to create a community. Indeed it is doubtful if an exact equality could ever be achieved between all the regions of Europe, any more than the Appalachians region of the United States could reasonably hope to match the wealth-producing capacity of the state of Illinois. But, having said that, I believe that unless we do all that is humanly possible to reduce the disparities in our Community we shall fail. Are we doing that now? I am afraid not. We are doing something,

I mentioned a moment ago the disparity of wealth between Hamburg and the West of Ireland, which is reckoned to be of the order of six to one. That is a sobering figure. But it becomes still more disturbing when one recalls that the disparity at the moment when Ireland joined the Community was no more than five to one. That is, we have to recognise that despite the use of important Community instruments such as the Regional and Social Funds, and despite the benefits of the Common Agricultural Policy, the poorest region has actually fallen further behind the richest than it was six years ago.

That situation may be barely - and briefly - tolerable in the present Community, though I personally do not find it easy to accept. But when we are faced with the immensely greater sulf which will divide the richest from the poorest in the Community of Twelve, a static or deteriorating situation will not be tolerable for one moment. We shall have rather to make steady and substantial progress in the reduction of these painful disparities.

There are those who share this objective, but who feel that its achievement would best be left to the beneficent operation of the market system. With all respect I cannot see the wisdom of this view. I can understand its historical appeal, since the great surge in European prosperity which followed the creation of the Common Market was achieved without substantial direct transfers to the poorer regions. It would be blissful indeed if the conditions of that surge could be recreated. A steady European growth rate of four or five per cent would provide a painless solution to many of our problems.

But we have to accept that such growth rates are unlikely to be seen again in the near future and therefore that what the market will not do for us, we must do for ourselves. To leave things to the market would simply be to ensure that the gulf between rich and poor would grow, while the enlarged community would be subjected to a process of enfeeblement which would put at risk even the limited degree of integration which we now enjoy.

So there is no alternative that I can see to a direct, massive and sustained intervention by the community institutions in favour of the weaker regions. This will require a substantially increased community budget with a much greater redistributive function than the budgets have had until now.

It will not be easy to get agreement on these lines, as the hesitant response to the McDougall Report already demonstrates. In particular the richer countries may be expected to object to the idea of substantially increasing their budget contributions. But I think it is fair to point out that the enlargement of the market to include fifty-five million new European consumers will chiefly be of benefit to these prosperous states, with their powerful exporting capacity. They must in turn be prepared to do something exceptional for those economies whose industrial markets they may come to dominate.

For these richer states a major net outflow of public funds in favour of the Community's weaker regions can be more than balanced by the export profits which flow in to their private sectors. I often think it is a pity that in discussing the Community budget, and the allegedly sacrificial contributions made to it by the richer states, we have no means to show

the benefits of membership to industry side by side with the accounts of exchequer flows. If these means existed we would have a truer picture of how our community market actually works, and why it is that despite the budgetary efforts so far made, the poorer regions are tending to slip further behind.

A further objection to the kind of radical budgetary approach which I am recommending may come from those familiar sceptics who resist every move which promises to enhance the effectiveness of the institutions, and particularly of the Commission. These are the people who in many instances welcome the prospect of enlargement because they hope it will weaken the Community, or because they see it as promoting a Europe of two speeds, if not even of three. Naturally they will resist any policy designed to hasten the integration of the Twelve, just as they are doing with the Nine. We should not hesitate to regard them as our opponents whose view can prevail only at the expense of the system we have built, and the stronger framework we need to build for the future.

It may be asked at this point why, in a forum devoted to the urgent topic of Direct Elections I should have so much to say about enlargement. I would answer that enlargement is the definitive challenge facing us, the test which will determine whether the Community is to stand or fall. Every institution must act now in the context of this challenge, and the context extends to matters which might seem at first glance unaffected by the approach to membership of Greece, Portugal and Spain. In particular I believe that the directly-elected parliament will have a crucial role to play in our response to the test of enlargement.

Direct Elections would at any time have been a great event. But I think we need them now more than you did when you were six; and in face of the Europe of Twelve, they become a still more urgent necessity.

It is easy enough to see in retrospect how you did without a directly-elected Parliament in the early years. You were six countries geographically compact, well-known to each other, and committed in common to certain clear objectives. Moreover you enjoyed a period of assured prosperity during which to achieve these objectives. The pioneers' task then had a certain simplicity, and it was safe to rely on the support and understanding of public opinion. This closeness and mutual familiarity, both between the peoples of the six member states, and between the people and the Community institutions, made it, I believe, quite tolerable to do without a directly elected parliament. Indeed those who drove the "motor of integration" - I mean the Commissioners of the early years - could be excused if they felt that a vigilant and demanding parliament was something they could well do without.

By contrast, I believe my colleagues and I have no doubt about how urgently Europe now needs a strong, elected Parliament. Our situation has in recent years become far too complex to be left to any combination of politicians and experts working behind closed doors. The community is larger and more diverse than it was; the people of the Nine cannot feel the same instinctive

familiarity with one another which was enjoyed in the Europe of Six. When we are ten, and then twelve, the degree of automatic or instinctive accord will be still less. Moreover the policies which we try to develop at Community level are more difficult, complex and disputed than were those of the early years.

In short we have some time ago reached a state where growing together as people, and building common policies, can no longer be regarded as a natural process, capable of looking after itself. We now have to work at it very hard. In particular we have to create a forum where every Community action and proposal will be scrutinized in full public view, and made to stand the test of public approval. Only when our policies are rooted in popular need and hallowed with popular endorsement can they be valid. Policies which are not thus sanctioned will be received with apathy, if not with hostility. Apathy will undermine that limited fragile sense of mutual involvement which is all the citizens of the enlarged community can be expected to feel in the early years. It will be dangerously easy for their gaze to turn inwards again, from the European scene to the more familiar national stage, even though the community, in an "objective" or "functional" way will have come to play a powerful role on that national scene.

The new parliament then must be the grand stage of the Community, the place where policy is explained, debated and criticized, and where the Commission and Council must give an account of their Every citizen of the community must be able to feel that here his point of view is being put and heeded. And he or she will at the same time become aware of the existence of similar or opposite points of view making themselves felt from the other side of Europe. Through this process of exchange, argument and compromise a common identity will begin to grow. It is that sense of identity and interdependence which can alone provide the energy and support for the powerful common policies which we shall need to master the problems of our expanding community. A Europe weak in popular support and involvement will never cope, no matter how competent its policy-making institutions may be. Indeed the high competence and dedication of those who serve the institutions will be futile without a strong popular involvement in their activities.

Some of you who served in the early years may find this emphasis of mine rather unwelcome. You might justly remind me that in that first, creative period an immense amount of good work was done discreetly, away from any persistent public scrutiny. But for the reasons I have outlined - I mean the scarcity of clearly perceived common objectives, the re-emergence of strong currents of national feeling, the persistent economic difficulties which put simple "market" solutions beyond our reach, above all the imminence of a second enlargement which will make the Community

a far more diverse and complex entity than it was in the beginning — I believe this approach can no longer succeed. Instead we have to mobilize the people of Europe behind powerful new policies capable of containing the extremes which threaten our cohesion, and maintaining the advance towards the integration of our countries and our people. It is our good fortune that the Direct Elections are at hand to provide the perfect instrument for that mobilisation.