

THE EUROPEAN COMMUNITY: CURRENT DEVELOPMENTS  
AND RELATIONS WITH THE UNITED STATES

by

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to the

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YOUR HONOUR, I OWE YOU A DOUBLE VOTE OF THANKS, FIRST FOR YOUR KIND WORDS OF WELCOME, AND SECOND FOR HAVING SO GRACIOUSLY MADE WAY FOR ME TODAY. I HOPE YOU WILL GET ANOTHER CHANCE TO ADDRESS ROTARY BEFORE LONG - CERTAINLY, I HOPE, BEFORE ELECTION DAY.

YOU ALL KNOW WHAT BROUGHT ME HERE TODAY - TO PRESENT THE EUROPEAN COMMUNITY PAVILION CONTRACT FOR THE 1982 INTERNATIONAL ENERGY EXPOSITION. FROM WHAT I HAVE SEEN ALREADY OF KNOXVILLE, THE CITY WILL, I AM SURE, PROVE A SPLENDID SITE FOR THE WORLD FAIR. AND I MUST CONGRATULATE YOU, YOUR HONOUR, AND INDEED ALL OF THE CITIZENS OF KNOXVILLE FOR WHAT YOU HAVE ALREADY DONE TO MAKE THE FAIR POSSIBLE.

MR. MAYOR, YOU HAVE MY

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ADMIRATION FOR TAKING ON THIS VENTURE IN ADDITION TO YOUR NORMAL DUTIES, AND IN SAYING THAT I SPEAK FROM EXPERIENCE.

MANY YEARS AGO I TOO HAD THE PRIVILEGE OF SERVING FOR SOME TIME AS AN ELECTED OFFICIAL. IN MY OWN CASE I WAS A MEMBER OF THE MUNICIPAL COUNCIL OF THE CITY OF TIGERY, JUST OUTSIDE OF PARIS.

I DOUBT WHETHER TIGERY IS WELL KNOWN TO MANY PEOPLE IN KNOXVILLE. WITH A POPULATION OF 600 FOR THE MOST PART HONEST CITIZENS, I WOULD BE SURPRISED IF YOU HAD EVEN HEARD OF IT.

BUT I EXPECT THAT THE PROBLEMS OF TIGERY ARE IN KIND, IF NOT IN DIMENSION, SIMILAR TO THOSE YOU HAVE TO DEAL WITH IN KNOXVILLE. I SEEM TO RECALL THAT OUR DAY-TO-DAY AFFAIRS OF STATE KEPT US MORE THAN FULLY OCCUPIED - PROBLEMS OF THE LOCAL WATER SUPPLY, THE PAVING OF SIDEWALKS, MAINTENANCE /OF ROADS

OF ROADS - OR IN OUR CASE THE ROAD - AND SO ON.

I SHUDDER TO THINK WHAT WOULD HAVE HAPPENED TO US IF IN TIGERY WE HAD EVER GOT INTO OUR HEADS TO HOST A WORLD FAIR. IT WAS ALL WE COULD DO TO HANDLE THE WEEKLY VEGETABLE MARKET.

SO WITH THAT EXPERIENCE BEHIND ME, YOUR HONOUR, I CAN FULLY APPRECIATE WHAT IT MEANS FOR YOU TO BE TAKING ON THE CHALLENGE FOR HOSTING EXPO 82 ON TOP OF ALL YOUR OTHER RESPONSIBILITIES. AND I CONGRATULATE YOU.

AND AS YOU HAVE KINDLY ALLOWED ME TO ADDRESS YOU TODAY, I WOULD LIKE TO SPEND A FEW MINUTES TALKING ABOUT THE EUROPEAN COMMUNITY AND ITS RELATIONS WITH THE UNITED STATES.

NOW, AS YOU MAY KNOW, AT THE INTERNATIONAL ENERGY EXPOSITION, THERE

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WILL BE A EUROPEAN COMMUNITY PAVILION. IT WILL HOUSE EXHIBITS FROM FRANCE, GERMANY, ITALY, BRITAIN AND THE EUROPEAN COMMISSION. OUTSIDE IT WILL FLY THE FLAGS OF OUR TEN MEMBER COUNTRIES: THE FOUR I HAVE JUST MENTIONED AND THOSE OF DENMARK, IRELAND, BELGIUM, THE NETHERLANDS, GREECE AND LUXEMBOURG.

FORTY YEARS AGO SUCH A THING WOULD HAVE BEEN IMPOSSIBLE. THIRTY YEARS AGO IT WOULD HAVE APPEARED IMPROBABLE. TODAY, I SUSPECT, WE WOULD TAKE IT FOR GRANTED AS PART OF THE NATURAL ORDER OF THINGS.

THIS IS AS IT SHOULD BE. WE SHOULD NOT BE SURPRISED THAT THE PEOPLE OF NEIGHBOURING COUNTRIES ON A CROWDED CONTINENT, SHARING THE SAME HERITAGE, THE SAME VALUES AND SIMILAR ECONOMIC CONDITIONS SHOULD SEEK TO WORK TOGETHER AND ACT TOGETHER.

/WE SHOULD NOT

WE SHOULD NOT BE SURPRISED THAT THEY SHOULD SEEK TO IDENTIFY THEIR COMMON INTEREST AND TO EXPRESS IT WITH ONE VOICE. OF COURSE, GIVEN WHAT WE KNOW OF THE HISTORY OF RELATIONS BETWEEN THE COUNTRIES OF EUROPE - A HISTORY OF RIVALRIES, OF TENSIONS AND OF BLOODSHED - THIS DOES COME AS A SURPRISE.

SO WHY IS A EUROPEAN COMMUNITY PAVILION AT THE WORLD FAIR - ALBEIT FOR THE FIRST TIME - BOTH POSSIBLE AND APPARENTLY NATURAL. IT IS IN LARGE PART BECAUSE OF HOW RELATIONS BETWEEN THE COUNTRIES OF EUROPE HAVE BEEN ORGANISED OVER THE PAST TWENTY-FIVE YEARS. AND THE MECHANISM FOR SO ORDERING THOSE RELATIONS IS WHAT IS KNOWN AS THE EUROPEAN COMMUNITY.

THE EUROPEAN COMMUNITY IS A LIVING, WORKING EXPERIMENT IN A NEW TYPE OF RELATIONSHIP BETWEEN SOVEREIGN STATES. IT /INVOLVES

INVOLVES MORE THAN SIMPLY INTERGOVERNMENTAL COOPERATION BUT LESS AT THE MOMENT THAN, THE TOTAL INTEGRATION AND UNIFICATION OF THE ECONOMIES AND POLITICAL SYSTEMS OF ITS TEN MEMBER COUNTRIES.

OUR TEN MEMBER COUNTRIES ARE ON THE SURFACE STILL SEPARATE AND SOVEREIGN STATES WITH THEIR OWN PARLIAMENTS, GOVERNMENTS, POLITICAL LEADERS AND NATIONAL CULTURES AND IDENTITIES. AND LITTLE OF THAT IS LIKELY TO CHANGE. THEY WILL ALWAYS RETAIN THOSE THINGS THAT ARE DIFFERENT AMONG THEMSELVES, BUT THEY INCREASINGLY SHARE THAT WHICH THEY HAVE IN COMMON. PRIMARILY THIS IS THE FACT THAT, IN ADDITION TO THEIR NATIONAL IDENTITIES, THEY HAVE A COMMON IDENTITY, INDEED A COMMON DESTINY, AS EUROPEANS.

TODAY OUR COUNTRIES HAVE CHOSEN NOT ONLY TO RECOGNISE THIS EUROPEAN IDENTITY BUT TO CAPITALISE ON IT AND TO SHARE IT.

IT IS THE EUROPEAN COMMUNITY THAT HAS PROVIDED THE MEANS FOR SO DOING.

THE CORNERSTONE OF THE EUROPEAN COMMUNITY IS THE COMMON MARKET — THE FREE TRADE AREA BETWEEN OUR COUNTRIES AND THE COMMON EXTERNAL TARIFF THAT WE PRESENT TO THE REST OF THE WORLD.

THE POINT TO REMEMBER ABOUT THE COMMON MARKET IS THAT IT IS A MEANS TO AN END RATHER THAN THE END ITSELF.

THAT END IS SOME KIND OF EUROPEAN UNION; THE BASIS OF WHICH IS ECONOMIC BUT WHOSE CHARACTER IS INCREASINGLY POLITICAL.

INDEED THERE WAS AND STILL IS AN IMPORTANT POLITICAL SIGNIFICANCE TO THE BREAKING DOWN OF ECONOMIC AND COMMERCIAL BARRIERS BETWEEN OUR COUNTRIES.

THE COMMERCIAL BARRIERS THAT EXISTED BETWEEN OUR COUNTRIES WERE BARRIERS

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BETWEEN PEOPLE. THEY WERE A VERY CONCRETE SYMBOL OF THE NATIONALISM THAT HAD EXISTED IN EUROPE AND THAT HAD LED TO CONFLICT WITHIN OUR CONTINENT.

BY DOING AWAY WITH THOSE COMMERCIAL BARRIERS, WE NOT ONLY ALLOWED COMMERCE TO PROSPER AND ECONOMIC GROWTH TO TAKE PLACE, WE TOOK THE FIRST STEP TOWARD EUROPEAN UNITY.

THE STEPS THAT FOLLOWED WERE A LOGICAL AND NECESSARY CONSEQUENCE OF HAVING A COMMON MARKET AND OF MAKING IT WORK. TO ENSURE FREE TRADE IN AGRICULTURAL PRODUCTS, WE HAD TO DEVELOP A COMMON AGRICULTURAL POLICY. TO ENSURE FREE COMPETITION IN A COMMON MARKET WE HAD TO CREATE A COMMON ANTI-TRUST POLICY. TO ASSIST THE POTENTIAL CASUALTIES OF AN OPEN TRADING SYSTEM, WE HAVE DEVISED POLICIES AND CAN FUND PROJECTS TO HELP UNDERDEVELOPED REGIONS AND TO RETRAIN OUR UNEMPLOYED.

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IN THE FIELD OF ENERGY WE ACT INCREASINGLY TOGETHER IN INTERNATIONAL FORA AND HAVE TAKEN SIGNIFICANT STEPS TOWARD POOLING OUR RESEARCH CAPABILITIES IN THE QUEST FOR NEW AND ALTERNATIVE ENERGY SOURCES.

CONSUMER PROTECTION AND ENVIRONMENTAL POLICY ARE TWO MORE AREAS IN WHICH INCREASINGLY WE ACT IN COMMON AS A COMMUNITY. MOST RECENTLY WE HAVE TAKEN THE FIRST STEPS TOWARD SOME FORM OF CURRENCY UNION WITH THE CREATION OF WHAT IS KNOWN AS THE EUROPEAN MONETARY SYSTEM.

ON THE EXTERNAL FRONT, BECAUSE OF OUR COMMON EXTERNAL TARIFF, WE HAVE HAD TO DEVELOP A COMMON COMMERCIAL POLICY.

IN MAJOR TRADE NEGOTIATIONS - THE MULTI-FIBRE AGREEMENT, THE MULTILATERAL NEGOTIATIONS - THE COMMUNITY SPEAKS AND  
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ACTS AS ONE. AND WHEN WE HAVE INDIVIDUAL TRADE PROBLEMS - SAY IN STEEL OR TEXTILES - WITH A TRADING PARTNER, IT IS THE COMMUNITY AS SUCH THAT IS CHARGED WITH SETTling THEM.

SIMILARLY, IT IS AS A COMMUNITY THAT WE NOW HANDLE SIGNIFICANT ASPECTS OF OUR RELATIONS WITH THE DEVELOPING COUNTRIES.

THE RANGE OF POLICIES THAT ARE NOW CONDUCTED AT THE COMMUNITY, RATHER THAN PURELY AT THE NATIONAL LEVEL, IS LIMITED. SECURITY AND DEFENCE ARE NOTABLY ABSENT FROM THE LIST I HAVE MENTIONED, ALTHOUGH GENERAL FOREIGN POLICY QUESTIONS ARE INCREASINGLY DISCUSSED, IF NOT NECESSARILY DECIDED, BETWEEN THE MEMBER COUNTRIES OF THE COMMUNITY.

BUT THE FACT THAT THESE POLICIES EXIST AT THE LEVEL OF THE COMMUNITY HAS A CONSIDERABLE SIGNIFICANCE. THEY IMPLY A  
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POOLING OF NATIONAL SOVEREIGNTY BY OUR MEMBER COUNTRIES; THE IMPLEMENTATION AND FURTHER DEVELOPMENT OF THESE POLICIES BOTH REQUIRE AND PROMOTE A CERTAIN DEGREE OF POLITICAL UNITY BETWEEN OUR COUNTRIES.

ALL THE MORE SO AS WE HAVE CREATED A SET OF COMMON EUROPEAN POLITICAL INSTITUTIONS TO MAINTAIN AND DEVELOP THESE AND OTHER POLICIES.

THESE ARE THE COMMISSION, INDEPENDENT OF THE MEMBER STATES, WHOSE JOB IT IS TO DEVISE AND PROPOSE POLICY, THE COUNCIL OF MINISTERS, WHERE NATIONAL INTERESTS ARE DIRECTLY REPRESENTED, WHICH DECIDES ON WHETHER TO ACCEPT THE COMMISSION'S PROPOSALS. AND SOMEWHERE BETWEEN THE TWO, A EUROPEAN PARLIAMENT, DIRECTLY ELECTED BY THE PEOPLE OF EUROPE, AND WITH IMPORTANT POWERS OVER THE COMMUNITY BUDGET.

/LASTLY

LASTLY WE HAVE A EUROPEAN COURT OF JUSTICE ACTING AS AN ARBITER BETWEEN THESE INSTITUTIONS AND BETWEEN THEM AND THE MEMBER STATES. THE COURT'S RULING ARE LEGALLY BINDING THROUGHOUT THE COMMUNITY, AND HAVE PRIMACY OVER NATIONAL LAW.

SO, ON THE FACE OF IT, ONE CAN DISCERN THE EMBRYO OF WHAT MIGHT BECOME A FEDERAL GOVERNMENT FOR EUROPE.

HOWEVER, THIS IS NOT A PARALLEL THAT SHOULD BE PUSHED TOO FAR. CERTAINLY FOR THE PRESENT, THE COMMUNITY SHOWS NO STRONG SIGNS OF DEVELOPING ALONG CLASSIC LINES OF A FEDERAL OR EVEN CONFEDERAL MODEL. THIS CAN BE EXPLAINED BY THE FACT THAT IT IS NOT FOLLOWING ANY PRIOR MODEL. NO ONE HAS EVER TRIED ANYTHING QUITE LIKE THIS BEFORE.

IN EUROPE WE ARE TAKING VERY OLD AND RATHER PROUD NATION STATES AND ATTEMPTING TO FORM SOME KIND OF UNION BETWEEN THEM. WHAT IS MORE WE HAVEN'T BEEN AT THIS GAME FOR ALL THAT LONG. THE ORIGINAL COMMUNITY OF SIX COUNTRIES IS ONLY TWENTY-FIVE YEARS OLD - WE HAVE BEEN A COMMUNITY OF NINE FOR ONLY EIGHT YEARS, AND TODAY'S COMMUNITY OF TEN IS ONLY A MATTER OF TWO MONTHS OLD. IN A FEW YEARS WE SHALL BECOME A COMMUNITY OF TWELVE AS SPAIN AND PORTUGAL JOIN. EACH TIME THAT WE ENLARGE, WE ARE FACED WITH NEW PROBLEMS OF ADAPTATION AND TRANSITION AS WELL AS WITH NEW OPPORTUNITIES.

IN SPITE OF THESE AND OTHER PROBLEMS, IN SPITE OF OUR RELATIVE IMMATURETY AND IN SPITE OF ECONOMIC DIFFICULTIES, THE COMMUNITY HAS CONTINUED IN THE PAST FEW YEARS TO MAKE PROGRESS.

AND WE HAVE MADE PROGRESS INTO BECOMING AS MUCH A POLITICAL COMMUNITY AS A PURELY ECONOMIC ONE.

THIS BECAME APPARENT IN THREE DIFFERENT WAYS: THE REASONS BEHIND THE NEXT ENLARGEMENT - THE DIRECT ELECTION OF A EUROPEAN PARLIAMENT - AND THE DEVELOPMENT OF POLITICAL COOPERATION ON FOREIGN POLICY.

FIRST THE ENLARGEMENT. GREECE HAS JOINED AND SPAIN AND PORTUGAL ARE ABOUT TO JOIN NOT SIMPLY THE COMMON MARKET. THEY ARE JOINING A POLITICAL CLUB WHOSE PRINCIPAL RULE OF MEMBERSHIP IS THAT THOSE WITHIN IT BE DEMOCRACIES.

EACH OF THESE COUNTRIES WAS UNTIL RECENTLY LIVING UNDER SOME FORM OF DICTATORSHIP. ONCE THEY HAD GOT RID OF THEIR RESPECTIVE DICTATORSHIPS, ONE OF THE FIRST THINGS THAT EACH OF THEM DID WAS TO APPLY TO JOIN THE COMMUNITY; FOR

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THE SPECIFIC POLITICAL REASON THAT THEY WISHED TO BE INCLUDED IN THIS DEMOCRATIC FOLD, TO REINFORCE THEIR NEWLY-WON DEMOCRACY. AND IT WAS FOR THE SAME REASON, BECAUSE OF THE POLITICAL RESPONSIBILITY THAT WE FELT, THAT WE ACCEPTED THEIR APPLICATIONS - IN SPITE OF THE ECONOMIC PROBLEMS THAT WE KNEW THIS WOULD CAUSE.

SECOND, WITHIN THIS SAME PERIOD, OUR MEMBER STATES AGREED TO THE HOLDING OF DIRECT ELECTIONS TO THE EUROPEAN PARLIAMENT. UP UNTIL THEN OUR PARLIAMENT, WITH A LARGELY CONSULTATIVE ROLE, HAD CONSISTED OF DELEGATES APPOINTED FROM NATIONAL PARLIAMENTS. TODAY THEY SIT AS ELECTED REPRESENTATIVES WITH A MANDATE TO PURSUE POLITICAL GOALS AT THE EUROPEAN LEVEL.

THIRD, AND MOST RECENTLY, THE DEVELOPMENT OF POLITICAL COOPERATION BETWEEN OUR MEMBER STATES, HAS ADDED AN IMPORTANT DIMENSION TO THE LIFE OF THE COMMUNITY IN THE AREA OF FOREIGN POLICY.

FOR SEVERAL YEARS NOW OUR FOREIGN MINISTERS HAVE BEEN MEETING TO DISCUSS AND TO ATTEMPT TO COORDINATE THEIR FOREIGN POLICIES. THIS ACTIVITY TAKES PLACE OUTSIDE THE FORMAL FRAMEWORK OF THE COMMUNITY'S NORMAL INSTITUTIONS AND THE TREATIES THAT ESTABLISHED THE EXISTENCE OF THE COMMUNITY. IT IS, HOWEVER, AN ACTIVITY THAT IS LIMITED TO THE MEMBERS OF THE COMMUNITY AND VERY MUCH A PRODUCT OF ITS EXISTENCE.

IT IS ALSO A SYSTEM THAT HAS GAINED CONSIDERABLE MOMENTUM IN RECENT MONTHS UNDER THE IMPETUS OF VARIOUS EXTERNAL THREATS THAT OUR MEMBER STATES

/HAVE

HAVE CHOSEN TO FACE TOGETHER RATHER THAN SEPARATELY.

FOR THE UNITED STATES ALL OF THIS MEANS THAT IT IS HAVING TO DEAL MORE AND MORE WITH A EUROPE THAT HAS BEEN MATURING AND FORMING ITS OWN PERSONALITY;

AS EUROPE BEGINS MORE AND MORE TO SPEAK WITH ONE VOICE, THE UNITED STATES MAY FIND THAT THAT VOICE IS NOT ALWAYS A PERFECT ECHO OF ITS OWN.

THE UNITED STATES WILL HAVE TO TAKE ACCOUNT OF THE FACT THAT WHILE WE SHARE THE SAME VALUES AND OBJECTIVES, OUR APPROACH TO SIMILAR PROBLEMS MAY DIFFER.

THERE IS NOTHING NECESSARILY WRONG WITH THAT. IN A HEALTHY PARTNERSHIP EACH OF US SHOULD BE ABLE TO HONESTLY DEBATE HIS POINT OF VIEW, INDEED THE PARTNERSHIP WILL BE THE STRONGER FOR IT, SO LONG AS WE CONTINUE, AS I BELIEVE WE SHALL, TO SHARE

/THE SAME

THE SAME VALUES AND OBJECTIVES.

THE RISK IS THAT, EVEN ONCE WE HAVE BOTH COME TO TERMS WITH THE NEW REALITIES OF OUR RELATIONSHIP, IT MAY COME TO GRIEF BECAUSE OF TENSIONS IN THE COMMERCIAL FIELD.

WHILE HIGH LEVELS OF UNEMPLOYMENT PERSIST, WHILE OUR ECONOMIES GROW MARGINALLY IF AT ALL, THE PRESSURE FOR PROTECTIONISM WILL GROW.

WE, LIKE YOU, WILL HAVE PROBLEMS WITH JAPAN. I DO NOT DOUBT THAT WE SHALL, FROM TIME TO TIME, HAVE PROBLEMS WITH ONE ANOTHER. THE TEMPTATION WILL BE TO RESORT TO TEMPORARY TRADE RESTRICTIONS IN AN EFFORT TO SOLVE SUCH PROBLEMS. WE ALL KNOW OF THE VARIOUS MEANS AVAILABLE TO US TO LIMIT ONE ANOTHER'S EXPORTS. THE WEAPONRY OF IMPEDIMENTS TO TRADE IS HOUSED IN A WELL-STOCKED ARSENAL.

OUR TRADE DEFICITS MAY APPEAR AT TIMES TO BE GIGANTIC AND TO WARRANT THE USE OF THIS ARMORY. OUR OWN DEFICIT WITH THE UNITED STATES MAY SOON THIS YEAR REACH \$20 BILLION, WHILE WITH JAPAN, IT HAS REACHED SOME \$10 BILLION. THIS DOES NOT, PER SE, EITHER JUSTIFY OR EXCUSE RESTRICTING OR HAMPERING TRADE.

PROTECTION BY ONE SIDE WOULD INEVITABLY LEAD TO A SPIRALLING SERIES OF RETALIATORY MEASURES WHICH COULD ONLY DO DAMAGE TO THE FABRIC OF THE ECONOMY OF THE WESTERN WORLD.

THE TEMPTATION TO RESORT TO PROTECTIONISM HAS TO BE FIRMLY RESISTED.

IT IS THE GREATEST TRAP INTO WHICH WE COULD FALL. IF WE CHOOSE TO SQUARE OFF AGAINST ONE ANOTHER AS RIVALS, EACH TRYING TO DO ONE ANOTHER DOWN, THERE IS LITTLE HOPE THAT OUR PARTNERSHIP ON

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ANY OTHER OF THE COMMON ISSUES FACING US COULD SURVIVE SUCH A CONFRONTATION.