

THE SWINTON LECTURE, CAMBRIDGE, JULY 14, 1984

EUROPE - WHAT MATTERS NOW

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I AM DELIGHTED TO BE GIVING THIS SWINTON LECTURE AT CAMBRIDGE. IT WAS HERE THAT I FIRST BECAME INVOLVED IN POLITICS THROUGH THE UNIVERSITY CONSERVATIVE ASSOCIATION AND THE UNION AND AT SWINTON THAT I FIRST CAME INTO CONTACT WITH THE PARTY BEYOND THE UNIVERSITY.

IN THOSE DAYS THE JOURNEY FROM CAMBRIDGE TO SWINTON CASTLE TOOK LONGER THAN THAT FROM BRUSSELS TO CAMBRIDGE TODAY. IN ITS WAY THAT FACT PROVIDES AN APT ILLUSTRATION OF THE CHANGING ENVIRONMENT IN WHICH POLITICS MUST BE CONSIDERED. WE ARE NO LONGER CONFINED BY NATIONAL FRONTIERS. THE CONSERVATIVE PARTY IS JUST AS ACTIVE IN BRUSSELS AND STRASBOURG AS IN LONDON AND IN LOCAL GOVERNMENT AND THE INSTITUTIONS OF THE COMMUNITY ARE AS MUCH A PART OF OUR NATIONAL LIFE AS THE HOUSES OF PARLIAMENT AND THE COUNCIL CHAMBERS UP AND DOWN THE COUNTRY.

/THE LAST TIME

THE LAST TIME I WENT TO SWINTON WAS IN 1964 OR 1965. WE HAD JUST BEEN DEFEATED AT A GENERAL ELECTION AND A GROUP OF US RANGING FROM EX-CABINET MINISTERS AND FORMER SENIOR CIVIL SERVANTS DOWN TO YOUNG MEN AND WOMEN AT THE START OF THEIR CAREERS WERE GATHERED TOGETHER TO THINK ABOUT THE FUTURE. AFTER 13 YEARS IN GOVERNMENT AND DEFEAT AT THE POLLS IT WAS AN APPROPRIATE MOMENT TO DO SO. NEW IDEAS WERE NEEDED.

MY MIND WENT BACK TO THAT OCCASION WHEN DAVID KNAPP INVITED ME TO GIVE THIS LECTURE. IN MANY OBVIOUS RESPECTS OUR PARTY'S PRESENT SITUATION IS VERY DIFFERENT FROM WHAT IT WAS THEN. BUT SO FAR AS EUROPE IS CONCERNED THE NEED FOR NEW IDEAS IS AS GREAT NOW AS THE PARTY'S WAS THEN.

WE HAVE JUST COME THROUGH A DIFFICULT PERIOD IN WHICH A NUMBER OF INTER-RELATED AND EXTREMELY DIFFICULT QUESTIONS HAVE HAD TO BE SOLVED. THESE CONCERNED THE MANAGEMENT OF THE COMMON AGRICULTURAL POLICY, THE FUTURE FINANCING OF THE COMMUNITY, THE INTRODUCTION OF AN APPROPRIATE SYSTEM OF BUDGETARY DISCIPLINE, AND OF COURSE THE BRITISH BUDGETARY CONTRIBUTION. ANY ONE OF THEM WOULD HAVE BEEN CONTENTIOUS AND DIVISIVE. THE COMBINATION HAS BEEN BOTH, TO PUT IT MILDLY. THESE QUESTIONS AND THEIR FALL-OUT HAVE ALSO TAKEN UP SO MUCH TIME AND EFFORT THAT WORK ON OTHER IMPORTANT ISSUES HAS BEEN HELD BACK. BUT AGREEMENTS HAVE BEEN REACHED AND WE CAN NOW TURN OUR MINDS TO THE FUTURE.

/MOREOVER, THE ROWS

MOREOVER, THE ROWS THAT HAVE ATTRACTED THE HEADLINES IN RECENT YEARS HAVE NOT BEEN THE WHOLE STORY. HISTORIANS WILL PERHAPS NOTE THE WAY IN WHICH MARKETS HAVE BEEN KEPT OPEN WITHIN EUROPE DESPITE THE RECESSION AND PROGRESS MADE IN DEEPENING ECONOMIC POLICY CO-OPERATION THROUGH THE EUROPEAN MONETARY SYSTEM AND FOREIGN POLICY COOPERATION THROUGH THE MACHINERY OF POLITICAL CO-OPERATION. COMPARE, FOR INSTANCE, THE RE--ALIGNMENT OF MARCH 1983 THROUGH A COLLECTIVE DECISION INVOLVING POLICY ADJUSTMENTS IN THE STRONG AS WELL AS THE WEAK CURRENCY MEMBERS WITH WHAT HAPPENED IN SCANDINAVIA WHEN SWEDEN UNILATERALLY DEVALUED BY 16% IN OCTOBER 1982. OR COMPARE THE WAY HOLLAND WAS LEFT ALONE BY ITS PARTNERS WHEN SUBJECTED TO AN OIL BOYCOTT IN 1973 WITH THE WAY IN WHICH, DESPITE THEIR DOUBTS, THE MAJORITY OF MEMBER STATES RALLIED TO BRITAIN NINE YEARS LATER IN THE FALKLANDS CRISIS. NOTHING LIKE AS MUCH HAS BEEN DONE AS MANY OF US WOULD HAVE WISHED. BUT THE ACHIEVEMENTS ARE NOT NEGLIGIBLE. AS WE FACE THE FUTURE WE HAVE SOMETHING ON WHICH TO BUILD.

WE HAVE ANOTHER INCENTIVE AS WELL TO PLAN FOR THE FUTURE. AS I SPEAK, THE NEGOTIATIONS WITH SPAIN AND PORTUGAL ARE REACHING THEIR FINAL STAGES AFTER HAVING BEEN DELAYED BY OUR INTERNAL PROBLEMS AS WELL AS BY THEIR OWN INHERENT DIFFICULTIES. ONCE THEY ARE SUCCESSFULLY CONCLUDED THE PROCESS OF ENLARGEMENT, BEGUN IN 1973 WITH THE ARRIVAL OF BRITAIN, IRELAND AND DENMARK, WILL HAVE BEEN COMPLETED. I SAY COMPLETED

/BECAUSE ALTHOUGH

BECAUSE ALTHOUGH OTHER DEMOCRATIC EUROPEAN STATES WOULD BE ELIGIBLE TO JOIN THE COMMUNITY IF THEY SO WISHED, THERE IS LITTLE EVIDENCE TO SUGGEST THAT THEY WILL DO SO. THE PARLIAMENTARY RATIFICATION PROCEDURES FOR THE TREATIES OF ACCESSION WILL HAVE TO TAKE PLACE BEFORE SPAIN AND PORTUGAL CAN FINALLY ASSUME THEIR RIGHTFUL PLACES AMONG US. BUT THAT SHOULD BE DONE BY JANUARY 1986 AND FROM THEN ON FOR THE FIRST TIME SINCE THE LATE 1960s THE COMMUNITY WILL BE ABLE TO PLAN ITS FUTURE ON THE BASIS OF A STABLE MEMBERSHIP. NOW IS THE TIME TO SET THE COURSE.

THE FIRST NECESSITY MUST BE TO FIND A BETTER WAY OF WORKING. THIS DOES NOT, OF COURSE, MEAN THAT ALL CAN EVER BE SWEETNESS AND LIGHT AS THE WORD "COMMUNITY" SOMEWHAT IMPLIES, ANY MORE THAN THAT WOULD BE POSSIBLE IN DOMESTIC POLITICS. THE EUROPEAN COMMUNITY IS A POLITICAL SYSTEM FOR RECONCILING DISPUTES BETWEEN THE MEMBER STATES AND FOR ENABLING THEM TO WORK OUT COMMON POLICIES AND CO-OPERATIVE VENTURES. THE OBJECT, TO QUOTE THE TREATY OF ROME, IS "TO LAY THE FOUNDATIONS FOR AN EVER CLOSER UNION AMONG THE PEOPLES OF EUROPE". BUT AS THE TREATY OF PARIS THAT ESTABLISHED THE ORIGINAL COAL AND STEEL COMMUNITY PUT IT "EUROPE CAN BE BUILT ONLY THROUGH PRACTICAL ACHIEVEMENTS". IT IS OF THE NATURE OF POLITICS THAT THAT WILL BE A NOISY AND DISPUTATIOUS PROCESS. OUR TASK IS TO ENSURE THAT IT SHOULD BE A PRODUCTIVE ONE.

/THE EARLY YEARS

THE EARLY YEARS OF THE COMMUNITY WERE CERTAINLY DISPUTATIOUS. INDEED, AGREEMENTS WERE SO OFTEN SO DIFFICULT TO REACH THAT STOPPING THE CLOCK, IF NECESSARY FOR DAYS OR EVEN WEEKS IN ORDER TO ENABLE DEADLINES TO BE MET, BECAME A CLICHÉ OF BRUSSELS LIFE. BUT IN THE END AGREEMENTS WERE REACHED AND THE COMMUNITY MOVED FORWARD TO ESTABLISH A COMMON INTERNAL MARKET, A COMMON AGRICULTURAL POLICY AND THE REST OF THE BASIC FRAMEWORK WITH SUCH SUCCESS THAT WE LOOK BACK ON THOSE DAYS AS BEING ONES OF GREAT ACHIEVEMENT.

I BELIEVE THAT AN ESSENTIAL INGREDIENT OF THOSE SUCCESSES WAS THE FACT THAT THE TREATY WAS NOT SIMPLY AN AGREEMENT BETWEEN GOVERNMENTS. WITH ITS DEADLINES AND DETAILED INSTRUCTIONS IT ALSO CONSTITUTED A PROGRAMME FOR ACTION. A POLITICAL BARGAIN HAD BEEN STRUCK. GOVERNMENTS KNEW WHAT THEY WERE COMMITTED TO AND THE LIMITS OF THEIR LIABILITY. OF COURSE THE ORIGINAL SIGNATORIES, LIKE THOSE OF THE SUBSEQUENT ACCESSION TREATIES HAD FAR-REACHING AMBITIONS. BUT IN THE FIRST INSTANCE THEY WERE OPERATING ON THE BASIS OF A PROGRAMME THAT EACH HAD ACCEPTED.

AN ATTEMPT WAS MADE TO CONSTRUCT ANOTHER SUCH PROGRAMME OF A MORE FAR-REACHING AND LESS SPECIFIC NATURE AT THE FAMOUS PARIS SUMMIT OF OCTOBER 1972, JUST BEFORE THE FIRST ENLARGEMENT. BUT IT WAS OVERTAKEN AND DESTROYED BY THE OIL SHOCKS, RECESSION AND INFLATION OF THE YEARS THAT FOLLOWED.

FOR MANY YEARS WE HAVE HAD NO FRAMEWORK OR "GOVERNMENT VIEW" WITHIN WHICH TO OPERATE. THE COMMISSION AND INDIVIDUAL MEMBER STATES HAVE HAD THEIR OWN BUT THE COMMUNITY AS SUCH HAS HAD NONE. PROPOSALS AND PROBLEMS ARE THUS ALL TOO OFTEN DEALT WITH ON AN AD HOC, ONE-OFF BASIS AND WE GO ROUND AND ROUND IN EVER WIDENING CIRCLES OF DISCORD.

IT IS ABSOLUTELY ESSENTIAL THAT WE SHOULD ONCE AGAIN ESTABLISH A PROGRAMME FOR ACTION ON THE BASIS OF WHICH ALL MEMBER STATES AND THE COMMUNITY INSTITUTIONS CAN WORK. WHAT I HAVE IN MIND IS A COMMUNITY EQUIVALENT OF THE PROGRAMMES WHICH PARTIES NEGOTIATE BEFORE GOVERNMENTS ARE FORMED IN COUNTRIES WHOSE CONSTITUTIONAL ARRANGEMENTS TEND TO RESULT IN COALITIONS.

INEVITABLY THIS WILL BE A COMPROMISE. NO COUNTRY WILL GET ALL IT WANTS. SOME OBJECTIVES WILL HAVE TO BE SET ASIDE UNTIL CIRCUMSTANCES AND/OR GOVERNMENTS IN OTHER COUNTRIES CHANGE. BUT EVERYONE WILL KNOW WHAT THEY HAVE AGREED TO TRY TO ACHIEVE AND THE BALANCE OF ADVANTAGE TO WHICH THEY CAN LOOK FORWARD.

THE PROGRAMME MUST TAKE THE FORM NOT OF PIOUS ASPIRATIONS NOR OF IDEALISTIC PLATITUDES BUT OF PRECISE PRACTICAL GOALS FOR A MEDIUM TERM PERIOD OF SAY FIVE YEARS. NONETHELESS IT SHOULD BE BUTTRESSED AND SUPPORTED BY NUMEROUS IDEALISTIC AND FAR-REACHING SPEECHES. THESE HAVE A VITAL RÔLE TO PLAY IN DRAWING THE ATTENTION OF PEOPLE OF DIFFERENT NATIONALITIES TO WHAT IS BEING UNDERTAKEN AND IN MOBILISING SUPPORT FOR IT.

/IT MAY BE TRUE

IT MAY BE TRUE THAT SOME NATIONALITIES TOO OFTEN TAKE REFUGE IN SUCH SPEECHES AS A SUBSTITUTE FOR ACTION. IT IS HOWEVER, EQUALLY TRUE THAT THE BRITISH RELUCTANCE TO SPEAK IN SUCH TERMS MAKES IT HARDER THAN IT SHOULD BE TO LIFT THE EYES AND MINDS OF OUR OWN PEOPLE IN EUROPEAN MATTERS AND CREATES MISUNDERSTANDING AND DISTRUST ELSEWHERE IN THE COMMUNITY.

ONLY THE HEADS OF GOVERNMENT MEETING AS THE EUROPEAN COUNCIL, CAN ESTABLISH SUCH A PROGRAMME AND ENABLE IT TO EVOLVE. OTHERS CAN LAUNCH IDEAS AND INITIATIVES, PREPARE THEIR WORK AND CARRY OUT THEIR WISHES. BUT ONLY THE HEADS OF GOVERNMENT - THE ULTIMATE SOURCE OF POLITICAL AUTHORITY WITHIN EUROPE - CAN STRIKE A FINAL BALANCE BETWEEN DIFFERENT AND CONFLICTING INTERESTS AND SET PRIORITIES WITHIN WHICH MEMBER STATES AND THE INSTITUTIONS SHOULD WORK.

THE EUROPEAN COUNCIL SHOULD FORMALLY UNDERTAKE RESPONSIBILITY FOR THIS TASK AND ORGANISE ITS WORK ACCORDINGLY. THAT MEANS THAT ON A REGULAR BASIS - SAY ONCE A YEAR OR ONCE EVERY TWO YEARS - IT WOULD AGREE ON A SET OF OBJECTIVES FOR THE COMMUNITY TO WORK TOWARDS DURING THE PERIOD AHEAD. WHERE APPROPRIATE DEADLINES WOULD BE SET BUT THIS WOULD NOT ALWAYS BE THE BEST WAY TO PROCEED.

/ AT PRESENT THE

AT PRESENT THE EUROPEAN COUNCIL MEETS THREE TIMES A YEAR. THIS SHOULD PROVIDE AMPLE SCOPE TO MONITOR PROGRESS AND MAKE SURE THAT ITS INSTRUCTIONS ARE BEING FOLLOWED. SOMETIMES IT WILL WISH TO PUSH THINGS ALONG FASTER THAN THEY ARE GOING; ON OTHERS TO ADJUST THE PROGRAMME IN THE LIGHT OF UNEXPECTED DIFFICULTIES. ITS COMMUNIQUÉS AND THE "INVITATIONS" WHICH IT ISSUES TO THE COUNCIL OF MINISTERS WILL ENABLE IT TO DO SO.

INEVITABLY DISPUTES WILL ARISE BETWEEN MEMBER STATES ABOUT WHAT WAS ORIGINALLY INTENDED AND HOW IT SHOULD BE ATTAINED. IF THESE CANNOT BE RESOLVED AT THE LEVEL OF FOREIGN OR OTHER MINISTERS, THE EUROPEAN COUNCIL WILL HAVE TO PASS JUDGEMENT. BUT IT SHOULD NOT BECOME A CONSTANT COURT OF APPEAL. ITS TASK SHOULD BE TO SET THE COURSE FOR OTHERS TO FOLLOW.

THE EUROPEAN COUNCIL ONLY CAME INTO BEING IN THE 1970s AND ACCORDING TO THE TREATY THE FORMAL DECISION-MAKING BODY IS THE COUNCIL OF MINISTERS, IN WHICH FOREIGN, FINANCE, AGRICULTURE AND OTHER TYPES OF MINISTERS MEET, DEPENDING ON THE SUBJECT FOR DISCUSSION. BY DEFINITION THEY ARE ALL SUBORDINATE TO PRIME MINISTERS AND PRESIDENTS. THEY SHOULD THEREFORE HAVE NO DIFFICULTY IN FOLLOWING THE "INVITATIONS" THEY RECEIVE FROM ABOVE, ALTHOUGH THEIR INDIVIDUAL INTERPRETATION OF THESE "INVITATIONS" CAN BE EXPECTED TO VARY IN LINE WITH THOSE OF THEIR PARTICULAR PRIME MINISTER OR PRESIDENT.

/ THE COMMISSION

THE COMMISSION IS IN A RATHER DIFFERENT POSITION. IT IS A COMPLETELY INDEPENDENT BODY WITH THE DUTY TO ENSURE THAT THE TREATIES OF ROME AND PARIS ARE APPLIED AND THE SOLE RIGHT TO INITIATE PROPOSALS WITHIN THE RANGE OF SUBJECTS COVERED BY THOSE TREATIES. IT CANNOT THEREFORE BE EXPECTED TO OBEY INSTRUCTIONS FROM ANYONE.

BUT THE PRESIDENT OF THE COMMISSION AND ONE OF ITS VICE-PRESIDENTS ATTENDS ALL MEETINGS OF THE EUROPEAN COUNCIL AND PARTICIPATES IN ITS DELIBERATIONS. TO THAT EXTENT THEREFORE THE COMMISSION IS A PARTY TO WHAT IS DECIDED. MOREOVER, THE COMMISSION HAS A BASIC INTEREST IN ENSURING THAT THE COMMUNITY MOVES FORWARD IN AN ORDERLY FASHION RATHER THAN ROUND IN CIRCLES AS HAS TOO OFTEN BEEN THE CASE IN THE PAST.

IN MY JUDGEMENT IT WOULD BE INFINITELY PREFERABLE FOR THE COMMISSION TO BE ABLE TO EXERCISE ITS POWER OF INITIATIVE IN THE CONTEXT OF AN OVERALL PROGRAMME AGREED BY THE HEADS OF GOVERNMENT THAN IN THE CIRCUMSTANCES OF RECENT YEARS. IT WOULD IN ANY CASE REMAIN RESPONSIBLE FOR DECIDING HOW AND IN WHAT MANNER TO EXERCISE THAT POWER IN THE LIGHT OF WHAT THE EUROPEAN COUNCIL DECIDED.

/ IF THE COMMISSION

IF THE COMMISSION FELT IT RIGHT TO INTRODUCE A NEW IDEA ON ITS OWN INITIATIVE IT COULD DO SO, AS WAS THE CASE IN 1977 WITH THE EUROPEAN MONETARY UNION. THAT IDEA WAS TAKEN UP BY THE EUROPEAN COUNCIL AND INTRODUCED IN A MUCH MODIFIED FORM AS THE EUROPEAN MONETARY SYSTEM. BEFORE UNDERTAKING SUCH AN INDEPENDENT INITIATIVE THE COMMISSION WOULD HAVE TO WEIGH THE RISK/REWARD RATIO, AS THEY SAY IN THE BUSINESS WORLD, VERY CAREFULLY. BUT IF IT WAS PREPARED TO RISK REBUTTAL AT THE HIGHEST LEVEL AND IF ITS INITIATIVES WERE WELL JUDGED, IT MIGHT FROM TIME TO TIME ACHIEVE A NOTABLE COUP.

NONE OF THIS WOULD AFFECT THE POWERS OF THE EUROPEAN PARLIAMENT, WHICH WOULD CONTINUE AS IN THE PAST TO BE TOTALLY INDEPENDENT. THE CURRENT PRESIDENT OF THE EUROPEAN COUNCIL ALREADY REPORTS TO IT SOON AFTER EACH MEETING AND THE EUROPEAN PARLIAMENT MAY PASS ITS OWN JUDGEMENT ON WHAT HE SAYS. ITS OPINION MUST BE SOUGHT BEFORE A COMMISSION PROPOSAL CAN BE TAKEN UP IN THE COUNCIL OF MINISTERS. THE COMMISSION MUCH MORE OFTEN THAN NOT ALTERS ITS PROPOSALS IN THE LIGHT OF PARLIAMENT'S AMENDMENTS.

/IF IT COMES TO

IF IT COMES TO THE CRUNCH, AND IF THE PARLIAMENT EITHER DOESN'T AGREE WITH THE EUROPEAN COUNCIL'S PROGRAMME OR THE WAY IN WHICH THE COMMISSION SEEKS TO FULFIL ITS RÔLE WITHIN IT THE PARLIAMENT HAS TWO IMPORTANT POWERS - IT CAN REJECT THE BUDGET WHICH HAS BEEN DONE ONCE, AND IT CAN SACK THE COMMISSION, WHICH HAS NOT SO FAR BEEN DONE. BOTH ARE BLUNT INSTRUMENTS AND AS SUCH DIFFICULT TO WIELD EFFECTIVELY. IN TIME THOUGH THEIR POSSESSION OUGHT TO ENABLE THE PARLIAMENT TO EVOLVE INCREASINGLY EFFECTIVE WAYS OF BRINGING PRESSURE TO BEAR ON THE OTHER INSTITUTIONS.

IN ANY CASE WE SHOULD NOT ALLOW OURSELVES TO BE RESTRICTED BY THE CONSTITUTIONAL ARRANGEMENTS LAID DOWN BY THE TREATY AND THE CONVENTIONS THAT HAVE SINCE GROWN UP AROUND THEM. WE SHOULD REGARD THESE RULES AND PROCEDURES AS THE CENTREPIECE OF THE EUROPEAN CONSTRUCTION, BUT AS THE FOUNDATION ON WHICH TO BUILD RATHER THAN AS WALLS TO HEM US IN.

LET ME EXPLAIN WHAT I MEAN.

THERE IS MUCH THAT STILL NEEDS TO BE DONE IN ORDER TO CARRY THE TREATY FULLY INTO EFFECT. ABOVE ALL THE INTERNAL MARKET IN GOODS NEEDS TO BE COMPLETED AND ITS PROVISIONS EXTENDED ON AN EQUAL BASIS TO SERVICES. IF EUROPE IS TO RECOVER ITS ECONOMIC DYNAMISM THIS WORK NEEDS TO BE TAKEN FAR MORE SERIOUSLY THAN IN THE PAST. THE MODERNISATION OF THE CAP HAS ONLY

/ JUST BEGUN,

JUST BEGUN. NEGOTIATIONS WITH OTHER COUNTRIES ARE IN CONSTANT PROGRESS THROUGH THE COMMON EXTERNAL TRADE POLICY. A NEW LOMÉ CONVENTION IS IN THE PROCESS OF BEING ESTABLISHED WITH THE DEVELOPING COUNTRIES OF AFRICA, THE CARIBBEAN AND THE PACIFIC. THE SOCIAL AND REGIONAL POLICIES NEED FURTHER DEVELOPMENT. THERE ARE IMPROVEMENTS AND DEVELOPMENTS TO BE UNDERTAKEN IN OTHER FIELDS AS WELL. IN ADDITION, THERE IS THE CONSTANT PROCESS OF ADMINISTRATION TO BE CARRIED OUT. IN ALL THESE FIELDS THE NORMAL RULES AND PROCEDURES WILL CONTINUE.

BUT IN RECENT YEARS OTHER ACTIVITIES HAVE DEVELOPED THAT ARE NOT STRICTLY SPEAKING PART OF THE ORIGINAL CONSTRUCTION, YET WOULD NEVER HAVE OCCURRED IF THAT CONSTRUCTION DID NOT EXIST. POLITICAL CO-OPERATION IS ONE. THE EMS IS ANOTHER. I HAVE ALREADY DRAWN ATTENTION TO SOME OF THE SUCCESSES THEY HAVE ACHIEVED. BOTH HAVE RULES AND PROCEDURES OF THEIR OWN.

THIS IS THE PATTERN WHICH WE SHOULD FOLLOW IN FUTURE. WE SHOULD THINK IN TERMS OF CONCENTRIC CIRCLES WITH THE CONVENTIONAL COMMUNITY AT THE CENTRE AND OTHER POLICIES AND FORMS OF CO-OPERATION RADIATING OUT FROM IT. SOME, AS IS THE CASE WITH POLITICAL CO-OPERATION, WILL INCLUDE ALL MEMBER STATES ON AN EQUAL FOOTING. IN OTHERS, AS WITH THE EMS, SOME MEMBER STATES - IN THIS CASE TO MY GREAT REGRET THE U.K. AND ALSO GREECE - MAY CHOOSE NOT TO BE FULLY PARTICIPATING MEMBERS. IN CERTAIN CIRCUMSTANCES AS FOR INSTANCE THE JET PROJECT AT CULHAM WHICH INCLUDES SWITZERLAND AND SWEDEN, NON-MEMBER STATES MAY BE INCLUDED AS WELL.

/ IF THE SPIRIT

IF THE SPIRIT OF EUROPE IS TO BE MAINTAINED AN EFFORT SHOULD ALWAYS BE MADE TO INCLUDE ALL MEMBER STATES IN EVERYTHING THAT IS DONE. BUT IF FOR ONE REASON OR ANOTHER A MEMBER STATE DOES NOT WISH TO GO AHEAD THAT SHOULD NOT BECOME A REASON FOR DOING NOTHING. THOSE THAT BELIEVE IT RIGHT TO PROCEED SHOULD BE ABLE TO DO SO THOUGH IF POSSIBLE IN SUCH A MANNER AS TO ENABLE THOSE WHO CHOOSE TO STAY BEHIND TO COME ABOARD AT A LATER DATE, AS IS THE CASE WITH THE EMS. IT WON'T ALWAYS BE A MAJORITY THAT GOES AHEAD WITH A MINORITY LEFT BEHIND. THE RECENT ANGLO-DUTCH AIR FARES INITIATIVE SHOWS THAT A MINORITY TOO CAN SHOW THE WAY.

FLEXIBILITY HAS ALREADY PROVED ITS WORTH IN EXTERNAL RELATIONS AS WAS SHOWN AT THE TIME OF THE FALKLANDS CONFLICT. FOR PARTICULAR REASONS, ITALY AND IRELAND FELT UNABLE TO GO ALONG WITH THE ECONOMIC SANCTIONS AGAINST ARGENTINA AGREED BY THE OTHER EIGHT. THE ARRANGEMENTS WERE NONETHELESS PUT INTO EFFECT THROUGH THE MECHANISM LAID DOWN IN THE TREATY AND THE TWO "NON-PLAYERS" UNDERTOOK NOT TO UNDERMINE THEM. OF COURSE IT WOULD HAVE BEEN BETTER IF THE WHOLE COMMUNITY HAD DONE THE SAME THING AND THAT WILL ALWAYS BE SO. BUT IT WAS FAR BETTER THAT EIGHT SHOULD HAVE ACTED IN CONCERT THAN THAT NOTHING COULD BE DONE ON A COMMUNITY BASIS.

/THIS PRECEDENT

THIS PRECEDENT MAY HAVE TO BE CARRIED A GOOD DEAL FURTHER IF, AS I BELIEVE TO BE NECESSARY, THOSE MEMBERS OF THE COMMUNITY WHO ARE ALSO MEMBERS OF NATO DECIDE TO DEVELOP A SECURITY DIMENSION TO THEIR FOREIGN POLICY CO-OPERATION. THERE IS A DEEPLY FELT NEED IN SEVERAL EUROPEAN COUNTRIES TO DEVELOP A MORE COHERENT AND CO-ORDINATED APPROACH TO PROBLEMS DEALT WITH IN THE CONTEXT OF THE WESTERN ALLIANCE. THE OBJECT SHOULD BE TO STRENGTHEN THAT ALLIANCE AND OUR CO-OPERATION WITH THE AMERICANS BY IMPROVING THE QUALITY OF THE EUROPEAN CONTRIBUTION AND BY INCREASING THE DEGREE OF PUBLIC SUPPORT FOR EUROPEAN PARTICIPATION IN THE ALLIANCE.

WE MUST, HOWEVER, FACE THE FACT THAT NOT ALL COMMUNITY MEMBERS ARE MEMBERS OF NATO AND NOT ALL THOSE WHO ARE SHARE THE SAME VIEWS ON SECURITY. IN THIS, AS IN OTHER MATTERS, THE MINORITY VIEW SHOULD BE RESPECTED BUT NOT ALLOWED TO ACT AS A BARRIER TO PROGRESS. THAT IS WHY THE FRENCH GOVERNMENT HAS RECENTLY SUGGESTED THAT THE POSSIBILITIES OF WESTERN EUROPEAN UNION (WEU) WHICH BRINGS TOGETHER BRITAIN, FRANCE, GERMANY, HOLLAND, BELGIUM, LUXEMBOURG AND ITALY, SHOULD BE CLOSELY EXAMINED. WHETHER OR NOT IT IS THE RIGHT FORUM IN WHICH TO PURSUE CLOSER EUROPEAN CO-OPERATION IN SECURITY MATTERS REMAINS TO BE SEEN. BUT SOME WAY OF ENABLING THOSE COUNTRIES WHICH WISH TO PURSUE THAT OBJECT TO DO SO MUST BE FOUND.

/FLEXIBILITY

FLEXIBILITY WILL ALSO NEED TO BE DISPLAYED IN THE REALM OF INDUSTRIAL POLICY WHERE I LOOK FORWARD TO SIGNIFICANT PROGRESS IN THE NEXT FEW YEARS. IN SOME AREAS OF ACTIVITY IT IS HIGHLY DESIRABLE THAT ALL MEMBER STATES SHOULD BE INVOLVED IF EVERYONE IS TO SECURE THE MAXIMUM BENEFITS THAT FLOW FROM THE SCALE OF THE COMMUNITY. THIS IS FOR INSTANCE TRUE OF THE CREATION OF A COMMUNITY-WIDE MARKET FOR TELECOMMUNICATIONS AND THE CURRENT ATTEMPTS OF EUROPE'S 12 LEADING COMPUTER COMPANIES TO ESTABLISH COMMON STANDARDS. THE ESPRIT PROGRAMME ON INFORMATION TECHNOLOGY FALLS INTO THE SAME CATEGORY.

IN OTHER AREAS ONLY SOME EUROPEAN COUNTRIES HAVE EITHER THE CAPACITY OR INTEREST TO BECOME INVOLVED. THIS IS THE CASE FOR EXAMPLE IN THE FUTURE DEVELOPMENT OF THE PLUTONIUM FAST BREEDER TYPE OF NUCLEAR REACTOR. SIX COUNTRIES - BRITAIN, FRANCE, GERMANY, ITALY, BELGIUM AND HOLLAND - HAVE AGREED TO WORK TOGETHER IN THIS FIELD AND IT IS HARD TO SEE WHICH OTHER COMMUNITY COUNTRIES WOULD WISH TO DO SO.

IT MUST ALSO BE REMEMBERED THAT INDUSTRIAL PROJECTS SET UP TO PRODUCE A SPECIFIC PRODUCT SUCH AS AN AEROPLANE CAN ONLY WORK EFFECTIVELY ON THE BASIS OF A LIMITED NUMBER OF PARTNERS. THE MORE THERE ARE THE MORE DIFFICULT THE ENTERPRISE BECOMES TO MANAGE AND THE MORE COSTS TEND TO ESCALATE. THIS BASIC FACT OF INDUSTRIAL LIFE FACES EUROPEAN COMPANIES IN MANY ADVANCED TECHNOLOGY FIELDS WITH A DILEMMA. ON THE ONE HAND THEY CANNOT COMPETE WITH THE AMERICANS SINGLE-HANDED. ON

THE OTHER THE COSTS OF CO-OPERATION ARE SUCH THAT IT IS OFTEN VERY DIFFICULT TO KEEP THEM DOWN TO THE POINT WHERE THE FINISHED PRODUCT CAN COMPETE WITH THAT OF A SINGLE AMERICAN FIRM IN TERMS OF PRICE.

ALL THIS IS A FAR CRY FROM CONVENTIONAL THEORIES ABOUT HOW THE COMMUNITY SHOULD OPERATE. BUT AS PAUL HENRI SPAAK, ONE OF EUROPE'S FOUNDING FATHERS, ONCE TOLD HIS POLITICAL PARTY IN BELGIUM: "WHEN I LEARNED FROM EXPERIENCE I UNDERSTOOD THAT WHAT WE OUGHT TO DO WAS TO ADJUST OUR THINKING TO WHAT WE WERE DOING. THERE IS A GAP BETWEEN WHAT WE SAY AND WHAT WE DO... THAT IS AT THE BOTTOM OF THE TROUBLE. WE MUST DO SOME RE-THINKING AND STRIKE OUT OF OUR DOCTRINES SUCH ELEMENTS AS EVENTS HAVE SHOWN TO BE UNTENABLE". THIS ADVICE WAS GIVEN IN RELATION TO DOMESTIC POLICY BUT IS EQUALLY APPROPRIATE TO EUROPE'S PRESENT PREDICAMENT, AND IDEAS OF THE SORT I AM EXPRESSING ARE UNDER DISCUSSION IN A NUMBER OF CAPITALS. I AM SURE THEY CONSTITUTE THE BEST BASIS ON WHICH TO FIND A WAY FORWARD.

HOWEVER, THEY GIVE RISE TO TWO QUESTIONS: ONE SPECIFICALLY FOR THE UK AND THE OTHER FOR EUROPE AS A WHOLE.

/To TAKE THE

TO TAKE THE BRITISH ONE FIRST: IN SOME WAYS BRITAIN WOULD FEEL MORE AT EASE IN A SITUATION IN WHICH EUROPE DEVELOPS IN A MORE ECLECTIC AND PRAGMATIC FASHION. I CAN ALREADY HEAR PEOPLE SAYING THAT IF WE CAN CHOOSE WHICH OF THE NEW PROJECTS AND INITIATIVES TO BE INVOLVED IN AND WHICH NOT WE SHOULD OPT FOR A MINIMALIST PARTICIPATION. THAT WOULD IN MY VIEW BE A MISTAKEN RESPONSE.

ONE OF THE MAIN POLITICAL REASONS WHY BRITAIN JOINED THE COMMUNITY WAS TO SECURE INFLUENCE OVER THE FUTURE COURSE OF EUROPEAN DEVELOPMENT. AND THE PRINCIPAL ECONOMIC REASON WHY WE JOINED WAS TO SHARE IN THE ECONOMIES OF SCALE AND OPPORTUNITIES THAT FLOW FROM THE SIZE, SCOPE AND VARIETY INHERENT IN A COMMUNITY OF 270 MILLION PEOPLE. BOTH THESE OBJECTIVES WOULD BE LOST IF BRITAIN CHOOSES THE MINIMALIST ROUTE.

IT WILL BE THOSE COUNTRIES WHICH PARTICIPATE IN EVERYTHING THAT IS GOING ON - WHO ARE PRESENT IN ALL THE CONCENTRIC CIRCLES - WHO WILL WIELD THE GREATEST INFLUENCE AND DETERMINE THE FORM AND DIRECTION OF EUROPE'S FUTURE. POLITICS, ECONOMICS, FOREIGN POLICY AND INDUSTRY ARE NOT SELF-CONTAINED LITTLE WORLDS. EACH INTERACTS ON THE OTHER AND DECISIONS TAKEN IN ONE SPHERE INFLUENCE AND MAY OFTEN HELP TO PRE-JUDGE THOSE ARISING IN OTHERS. SOME COUNTRIES, BECAUSE OF THE NARROW

/ RANGE OF THEIR

RANGE OF THEIR INDUSTRIAL INTERESTS OR THEIR NARROW CONCEPTION OF THEIR NATIONAL INTEREST WILL BE UNABLE OR UNWILLING TO BE PRESENT IN ALL THE CIRCLES. BRITAIN HAS THE CHOICE. IF SHE WISHES TO PLAY AN EQUAL RÔLE WITH FRANCE AND GERMANY IN SHAPING EUROPE'S DESTINY SHE WOULD BE VERY UNWISE TO EXCLUDE HERSELF FROM ANYTHING THAT IS GOING ON.

THE QUESTION FOR EUROPE AS A WHOLE IS HOW TO RECONCILE A SYSTEM IN WHICH DIFFERENT COUNTRIES ARE PROCEEDING AT A DIFFERENT PACE WITH THE NEED TO MAINTAIN AN OVER-REACHING ARCH. IT IS OF THE VERY ESSENCE OF THE COMMUNITY THAT ALL ITS MEMBERS SHOULD FEEL THEY HAVE AN EQUAL STAKE IN ITS SUCCESS. THIS IS WHY IT IS SO IMPORTANT TO ENSURE THAT WHENEVER POSSIBLE ALL SHOULD BE INCLUDED IN WHATEVER IS DONE. WHEN NEW INITIATIVES ARE UNDERTAKEN ON A PARTIAL BASIS THIS MUST BE BECAUSE SOME COUNTRIES HAVE THEMSELVES DECIDED THAT THEY CANNOT OR DO NOT WISH TO BE INVOLVED. IN OTHER WORDS THEY WILL HAVE OPTED OUT, NOT BEEN EXCLUDED.

THIS BRINGS ME BACK TO THE RÔLE OF THE HEADS OF GOVERNMENT MEETING AS THE EUROPEAN COUNCIL. THIS MUST BE THE POINT AT WHICH ALL ISSUES TOUCHING ON THE INTERESTS OF ALL MEMBER STATES ARE DISCUSSED. IF A SMALL GROUP OF LARGE COUNTRIES SIMPLY TRIES TO IMPOSE ITS WILL, THE SYSTEM WILL BREAK APART. THE SAME WILL HAPPEN IF A SELF-APPOINTED "IN-GROUP" OF LARGE AND SMALL COUNTRIES TRIES TO DO THE SAME. THE HEADS OF GOVERNMENT MUST ESTABLISH IN AN OPEN AND FAIR-MINDED FASHION A

/PROGRAMME COVERING

PROGRAMME COVERING THE WHOLE RANGE OF ISSUES IN WHICH THE INTERESTS OF ALL COUNTRIES ARE INVOLVED, SO THAT EACH OF THEIR NUMBER CAN SHOW HIS OR HER PARLIAMENT WHERE THEIR PARTICULAR COUNTRY FITS IN.

IT WILL THEN BE UP TO THE INDIVIDUAL NATIONAL PARLIAMENTS TO DECIDE ON WHERE THE NATIONAL INTEREST LIES. AS NOT ALL MEMBER STATES ARE AT THE SAME LEVEL OF ECONOMIC DEVELOPMENT NOR HAVE THE SAME INTERESTS THERE WILL BE OCCASIONS WHEN IT WILL BE RIGHT FOR SOME NOT TO GO AHEAD WITH THE REST OR TO DO SO ON A DIFFERENT TIME SCALE. BUT ONCE GOVERNMENTS REALISE THAT THEY CAN ONLY EXCLUDE THEMSELVES BY A "NO" VOTE AND NOT PREVENT OTHERS FROM GOING AHEAD IT SHOULD AT LAST BE POSSIBLE TO CHANGE THE WHOLE ATMOSPHERE SURROUNDING COMMUNITY AFFAIRS FROM NEGATIVE TO POSITIVE.

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