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ADDRESSING THE EUROPEAN PARLIAMENT IN STRASBOURG ON 15 FEBRUARY 1984
COMMISSION PRESIDENT GASTON THORN CALLS FOR ACTION TO PULL THE
COMMUNITY OUT OF CRISIS: "THE COMMUNITY NEEDS TO BE GOVERNED
- THIS IS THE CRUX OF THE MATTER"

Mr. Gaston E. Thorn President of the Commission of the European Communities, presented the Commission's programme for the next twelve months to Parliament. The Commission, he said, was determined "to fight to the bitter end to implement its programme and put through the proposals that give it concrete expression".

Mr. Thorn called for a proper appreciation of the difficulties of these past few years when the Community had managed to preserve the achievements of the past and had even made some progress.

However, the people of Europe have many grounds for disquiet, if only because of the unemployment situation.

Mr. Thorn was concerned by the "inability to adapt" and to "take decisions" of the Community: "Over the last three years the meetings of Heads of State and Government have spent more time on budget contributions ... than on the problems of relaunching Europe".

He warned that failure at the Brussels European Council would be the beginning of "a process of self-destruction" which would sweep away past achievements. He announced that the Commission had just submitted a proposal to the Council on tighter budgetary discipline and would shortly be finalizing its position on budget contributions and future financing of the enlarged Community.

"These three issues, which were inextricably linked with agricultural reform, were the Gordian knot that the European Council, would have to cut if it was to do what really mattered and revitalize Europe".

In the area of budget management we have our backs to the wall, said Mr. Thorn, who made it clear that if no decisions had been taken by the Brussels European Council in March, to ensure the financing of agricultural expenditure, the Commission would eventually be forced to propose appropriate action, however harsh, to the budgetary authority.

"In a word, the Community needs to be governed. This is the crux of the matter", concluded Mr. Thorn, who argued forcefully that "decline is not inevitable" and he called upon those who appreciated how much was at stake to unite to push through the necessary reforms as quickly as possible.

These then are the main points of Mr. Thorn's address.

The people of Europe ... grounds for disquiet

Firstly, Mr. Thorn payed tribute to the work achieved by the outgoing Parliament:

"You have achieved much, your actions and the stances you have adopted, do honour to Europe ...

"... You are not to blame for the Community's shortcomings ..."

"And the people of Europe have many grounds for disquiet. More than 12 million people in Europe are out of work today, twice as many as there were on the day you were first elected. Four young people in ten have no job...

... The Europeans have other worries. The threat to their security has intensified with mounting East-West tension and the drastic worsening of the situation in the Middle East."

To preserve the achievements of the past

...This concern is legitimate. But, in a difficult period, the Community has at least preserved the achievements of the past and even made some progress..

Indeed, the Community has managed :

- to preserve the common market, resisting the temptation to resort to protectionism in the face of growing unemployment;
- to preserve the framework without which the inevitable restructuring of Europe's major traditional industries would had led to chaos;
- to maintain a united front towards the outside world, particularly in defending its trading interests against its main competitors;
- to preserve the common agricultural policy, protecting its own farmers far better from the repercussions of the crisis than have other OECD countries, including the United States;
- to preserve the zone of monetary stability created in 1979 by the establishment of the EMS; and
- to agree on a common fisheries policy.

The need to adapt

"The fact that we have come through a difficult period with so much intact is a signal success, a good omen, but these modest achievements will come under threat if the Community persists in displaying an inability to adapt to change and face up to the new challenges posed by the march of time..."

As an example of this "inability to adapt to present needs" Mr Thorn cites the CAP, on which the Commission gave its diagnosis as far back as 1980, and the difficulties in the fields of research and industrial cooperation. "But years have been wasted by Member Sates promoting national champions and feeding intra-Community rivalry instead of exploiting their complementary qualities to meet outside competition".

...the need to decide

..."Such progress as has been achieved has been cautious. This slowness to act, this reluctance to adapt, this dispersal of national efforts add up to a crying need - the need for government. Europe is not governed at the moment. The Commission proposes, Parliament urges, and no-one decides. This inability to take decisions, or at any rate to take them at the right time, is the Community's worst failing. A good decision is usually one taken when circumstances call for action. The Council's indecision has too often condemned the Community to doing too little, too late.

It is the unanimity rule within the Council which has upset the institutional balance enshrined in the Treaties, blocked the dynamism of the Community system and ultimately forced the European Council to play a very different role from that originally intended..."

After stating that over the last three years the meetings of Heads of State and Government have spent more time on budget contributions - which merely undermined mutual confidence - than on the problems of relaunching Europe, reviving its industry and dealing with unemployment and stressing that "the most shocking aspect is the misuse of these summit meetings". The President said "this inertia and indecisiveness cannot go on. You will agree with me that failure at the Brussels European Council would be the beginning of a process of self-destruction which could sweep away the work of the last twenty-five years".

The reasons to hope

If the Brussels European Council fails, the scene would be set for a political crisis which could lead to the break-up of the Community. Mr Thorn, however, sees reason to hope for the success of the European Council.

The first reason is "that the Heads of State and Government are not unaware of the extent to which their divisions are endangering the Community. The political parties and opinion leaders are aware of it too"...

"Another important reason to hope for the success of the next European Council is the personal commitment of the President of France. He is putting his personal prestige and the full weight of his office at the service of the Community, giving unstintingly of his time and energy to reconcile points of view so that the Brussels European Council can cut the Gordian knot of the past, and lay ambitious plans for a revitalized Community of the future".

Mr Thorn also remarked : "something has been learnt from the Athens debacle. The Council has responded to the Commission's pleas to return to the Treaty and Community procedures. I would like to think that this is not just lip-service, that the Council is at last shouldering its responsibilities; this should make the European Council's task easier".

Cutting the Gordian knot

"Even reduced to essentials, that task is daunting. It may well prove too much unless progress is made by 15 March towards agreement on agricultural reform, which in turn is a prerequisite for agreement on the basic features of a new financing system, namely :

- tighter budgetary discipline;
- solutions to the budget contributions problem;
- financing the Community of Twelve.

These three issues, inextricably linked as they are with reform of the common agricultural policy, form the Gordian knot which the European Council must cut if it is to do what really matters and revitalize Europe".

A blueprint for revitalizing the Community

"Reform has to be matched by a blueprint for revitalizing the Community to which the Brussels European Council must give its blessing. It must draw up the guidelines for the Community's future.

We must :

- provide European agriculture with new horizons, going beyond long-overdue reform;
- organize joint action to restore Europe's status as an industrial and technological power;
- provide the instruments for economic and social convergence so that we can join forces to fight the unemployment which is undermining our societies;
- find better ways and means of working together to develop the less prosperous regions of the Community;
- affirm Europe's role in the world and, if necessary, assume responsibility for directing international efforts to combat under-development and hunger".

What sort of Community do we want?

"If the Brussels European Council fails, it will be clearer than ever before that we have been treating the symptoms, not the disease. We will have to address the basic questions which nobody even dared to ask before the first enlargement:

What sort of Community do we want? How far are we prepared to follow the logic of the Treaties?...

The European venture does not stop with the creation of an economic area, with a single market, a common customs tariff and a common agricultural policy.

The Treaty of Rome had much more in mind. Its primary objective, from which the rest follows, is "to lay the foundations of an ever closer union among the peoples of Europe."

For a real reform of the institutional system

"We cannot go on pretending to discover the institutional problem each time new members join and then concentrate on the arithmetic - the size of the new Commission for example. As if it mattered!

What is important is that the Community as such should be able to embark on the implementation of programmes and schemes in the common interest, selected and approved in an efficient, democratic manner. In a word, the Community needs to be governed. This is the crux of the matter.

Those of us who appreciate how much is at stake must unite to push through the necessary reforms as quickly as possible.

Budget: our backs to the wall

..."In the area of budget management we have our backs to the wall and little room for manoeuvre. Clearly, if no decisions have been taken to ensure the financing of agricultural expenditure, at the latest at the March European Council, the Commission will eventually be forced to propose appropriate action, however harsh, to the budgetary authority."

No to decline

To conclude: "the people of Europe with their history, culture, learning and institutions to support them, the people of Europe are still perfectly capable of meeting the challenges of the crisis, outside competition, and an uncertain world. But they need to tap their intrinsic vitality, pool their efforts, and create institutions that match their aspirations. Decline is not inevitable".