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EXTRACTS FROM ADDRESS ON "ENLARGEMENT PROSPECTS" BY MR NATALI, COMMISSION
VICE-PRESIDENT, IN TURIN ON 14 OCTOBER 1978

"At a time when discussions and new initiatives have brought the topic of enlargement into the domestic and international headlines once again, it is appropriate to recall first of all the motives for and implications of the 'yes' which the Community has already said to accession by Greece, Portugal and Spain.

It was a political 'yes' motivated by the importance of what is at stake in integrating these three countries into the European Community. Their democracy newly restored, these Mediterranean countries asked to become members of the Community. They considered, and still do consider, that membership of the Community would best guarantee the consolidation of their democratic institutions. For the Community this is proof of its success but it involves an enormous new political responsibility. Integration of the three countries also represents a new responsibility for the Community because their geographical location will give the Community a new role in the Mediterranean area. And here lies a further motive for the 'yes' to these countries' requests for membership: it is an opportunity for the Community to restore its own balance, paying closer attention to the conditions in its Mediterranean regions and their requirements.

At a time when economic difficulties and changes are affecting the whole of Europe, the enlargement should also serve by intensifying trade and broadening solidarity among European countries, to attenuate the more distressing aspects of the present economic crisis. While these are the motives for the 'yes' to enlargement, nobody in Brussels has ever imagined that achieving it would be painless. The economic situation in each applicant country is different but there is one common denominator: the gap between their levels of development and that of the Community economy. Furthermore, the impact of their integration into the common market may be particularly serious for certain sectors of the Community's economy (e.g. textiles, iron and steel, shipbuilding) or for certain regions of the Community (e.g. Mezzogiorno, south-east of France).

There is a danger that the entry of three new countries will cause the working of the Community's institutions - already more laborious since the jump from six to nine members in 1973 - to grind to a halt. Last but not least, the changes in trade flows caused by the integration of these three countries into the Community will have an effect upon the economy of other

countries, especially Mediterranean countries linked to the Community by association or trade agreements.

The Commission has for some time been drawing attention to these fundamental political imperatives and undeniable difficulties. And at the same time it has indicated the path to follow. The enlargement of the Community can succeed on two conditions. The first is that both sides - the Community and the applicant countries - prepare for their mutual integration as from now. The second is that, for the Community, preparing means reviewing its policies and bringing into play new instruments of solidarity. For the Commission enlargement is a test of the Community's ability to strengthen and adapt its own policies, for otherwise it will vegetate and eventually become no more than a loose geographical grouping.

These are encouraging signs. Above all the importance assumed by the problems of enlargement in the domestic political arena of the various countries shows awareness of what is at stake. And the plan to set up a European monetary system is a response to the economic and development difficulties of today's Community of Nine, and tomorrow's Community of Twelve.

The coming direct elections to the European Parliament will also give the Community a new impulse and will permit institutional innovations to facilitate the functioning of the enlarged Community.

I do not wish, however, to play down the worrying signs. They are the signs that originate from old tendencies which too often bedevil cooperation among the peoples of our continent. There is the temptation to let inertia take over, which means leaving a political process such as enlargement to happen in an uncontrolled, spontaneous fashion. There is the old tendency to seek technocratic solutions, which would mean that the enlargement process would be reduced to a series of cosmetic or makeshift adjustments to the Community structures.

There is the old temptation to concentrate on particular aspects, so that the enlargement process would be influenced solely by the problems - certainly legitimate but not exclusive - of certain social categories. There is lastly the danger of improvisation; this means tackling the enlargement challenge piecemeal through a series of arrangements ill-suited to the political promises underlying enlargement.

My task and that of the Commission as a whole is to ensure that these tendencies bedevilling Community life do not destroy the opportunities offered by the enlargement process. It is in the next few months that the Community's ability to get over this hurdle will be tested. The end of the year is the deadline for the start of the monetary system. This must be so engineered that participation by the economies of the weaker countries, among them those of the future member countries, is advantageous.

Solid support mechanisms for the balance of payments and substantial transfers of resources to the weaker economies: these are the essential complements to the new monetary system. In the meantime the Community must correct policy imbalances detrimental to the Mediterranean region, such as in the agricultural policy. It must strengthen weak policies such as the regional and social policies. It must make the industrial conversion and investment policies compatible with the requirements of the Mediterranean region.

The Commission is convinced that a review of the functioning of the present institutions is called for, to save Community life from coming to a complete halt. Neither I nor the Commission as a whole have magic formulae up our sleeves for a new institutional set-up. Nor do we want to get caught up in doctrinal quarrels: should the institutional reform be on federal or confederal lines? Should it favour supranationality or cooperation among States? These are categories which are, it is true, valid for students of constitutions or for historians but are of little practical use to those who have to seek solutions to deal with a fluid institutional situation such as the Community's. Nor, lastly, do we wish to quibble over where and how this examination of our institutions is to take place. I shall, along with the rest of the Commission, endeavour to ensure that the originality of the present Community system inspires innovations which are equally original and guarantee all countries their part in the Community decision-making process. My own institution has already put forward its suggestions on the matter. We are ready to compare them, without making any claim to be the depositories of institutional truth, with any other suggestions made in fora regarded as better placed to provoke ideas and, above all, decisions on the institutions of the enlarged Community.

The applicant countries must not be disappointed in their expectations of the Community. We have undertaken to conclude the negotiations with Greece by the end of the year. In the coming weeks the Member States must live up to the undertakings entered into at the highest political level. In three days' time we shall be opening the negotiations for Portugal's membership. In the first few months of next year, on the basis of a report which my institution is preparing for December, we shall open negotiations with Spain. We must make every effort to ensure that these two sets of negotiations move forward as quickly as possible. Each applicant country must be treated by the Community according to its own characteristics. The purpose of the negotiations is to work out the details for these countries' integration into the Community, and these will of necessity vary according to each applicant country's special features. Delays or hesitation on the part of the Community may cause disaffection among these countries and disillusionment concerning their European role. This risk is a very serious one because it puts at stake both the solidarity of their democratic institutions and the stability of the Mediterranean region."