

IS THERE ANY FUTURE FOR THE EUROPEAN COMMUNITY ?
IS THERE ANY FUTURE FOR BRITAIN IN THIS COMMUNITY ?

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I suppose that everybody in this distinguished audience will agree with me when I say that all political, economic and social leaders in Europe are confronted at this very moment, in the near future, and even afterwards, . . . with two fundamental questions :

The first question is related to the European Community in itself. Is there any future for this Community in the world, as a pool of economic dynamism and generous prosperity, as a centre of political influence, and as the architect of a design of civilization ?

The second question is related to the presence of the United Kingdom in the European Community. Which are the aims of British membership, and its advantages both to the Community and to Great-Britain, in the light of the so-called renegotiation ?

Of course, these two sets of questions are closely interrelated and cannot be easily disentangled. If our European Community ceases to maintain and increase economic and social solidarity among its members and shows unable to develop convergent political initiatives, then the temptation will be great in Britain to listen to "the call of the open seas". On the other hand, for a Community fraught in uncertainty and lack of will, a "renegotiation" leading to Britain's withdrawal might be the ultimate blow which could break it down once and for all.

So it seems difficult to answer the first question without tackling the second. However, there is clearly a priority in the political issues. For if the Community can overcome its present difficulties, then a United Kingdom leaving it would be heading for serious economic trouble -

even with plenty of British or Scottish oil ! - and political isolation - even with a special link with the U.S.A.

If somebody were to draw a "Message on the State of Union", as the President of the U.S.A has to do every year, then the picture - though rather impressionistic - would be rather gloomy, although there have been some sparks of hope during recent weeks.

1. British membership of the Community

Since the Council of Ministers meeting in Luxembourg, on 4 June, we have some more details on the kind of changes the United Kingdom would like to obtain in the policies and decisions of the Community. They have been stated by the British Foreign Secretary, Mr. J. CALLAGHAN, under the following main headings :

- " 1. The Community budget - an important matter for us but one which I recognise will raise difficulties for others".
- " 2. The Common Agricultural Policy where we shall be suggesting major improvements consistent with the broad principles on which the policy is based".
- " 3. The Commonwealth and developing countries where improvements are necessary in both the trade and aid fields".
- " 4. Regional and Industrial policy where it is important for us to be certain that the rules of the Community will enable Britain to pursue the effective policies which are required if the British economy is to begin to grow at a rate which will approach the Community average rather than to sink further below it".

"There is a fifth question about the future of economic, monetary and political union.... the position on these matters is that a great deal of further work and discussion will be required before any further decisions can be taken in pursuit of these general aims. We are very ready to continue with these talks in order that we can all elucidate, in a constructive spirit, what content it may be possible to give to them".

In dealing with these four issues, the Foreign Secretary stressed two important points :

- The first concerns the existing Treaties :

"In our judgement - he said - ministers will find that the proposals I shall put before you if accepted would not require changes in the treaties and we shall continue on that basis though of course our reserve on treaty amendments continues to stand".

- The second concerns the current work of the Community :

"We shall continue - he said - to cooperate fully in its work as we have done in recent weeks. Of course like other members of the Community, from time to time there will be issues upon which we shall have to put a reserve so as to safeguard our negotiating position, but we shall not do so out of a desire to hold up the work of the Community but because genuine differences cannot be reconciled".

I would now like to take up one by one the four issues mentioned before.

1. Common agricultural policy and food prices

This is a very difficult problem, if we want to maintain the free circulation of agricultural products in the Community and assure an adequate income to the farmers.

In Great Britain as an individual country, this last objective has been traditionally achieved by the so-called "deficiency payments". This a perfect system for a country that is a large importer of foodstuffs and in which only a small part of the active population is working in agriculture.

(And even then, the system proved too costly for some products by the end of the sixties).

To adopt such a system for the whole of the enlarged Community which is largely self-supporting in food products and has still several millions of farmers, would mean :

- an ambitious administrative task ; and a huge financial bill for the tax-payer when world prices are low ;
- the acceptance of a questionable dependance on third countries for some essential food supplies. The shortages and soaring world market prices which we experienced last year, some export limitations imposed by our traditional suppliers demonstrated clearly the "external" limits of a fundamental change in the C.A.P.

This is not to say that the C.A.P. cannot be amended, nor adapted to some specific British circumstances. Let me state it this way :

- The common agricultural policy was conceived and worked out without taking into account the situation of British agriculture and food supplies, and this "omission" was due to a very special reason : the fact that the United Kingdom was not a member of the Community !

- A full-fledged and complex policy, like the C.A.P., involving many social and economic responsibilities, can only be altered gradually. In fact, some important changes have already been achieved: the traditional CAP has been completed with a set of structural measures, and these have been adapted to a specific British demand with the so-called "hill-farming" measures.

- It is of course unconceivable for the member states to adapt the C.A.P. in order to meet some British wishes, and find afterwards that the United Kingdom is leaving the Community altogether. Community policies are tailored out to fit a given set of members. We cannot adapt them to fading shapes!

In the rest, I would like to pick up the following statement made by the British Foreign Secretary: "we recognize that for European farmers the CAP has achieved much, and that in addition an assurance of supplies at known prices in a world where both prices and availability can be unpredictable. The question therefore is whether, without overthrowing the system, British interests as a large consumer can be accommodated to the principles of Community preferences, free circulation of goods, and community financing. Provided some major changes are made, we believe that it would be possible to do so".

When looking at the rest of the statement, and apart from the arguments related to the own resources and the imports from third countries, I have the impression that the more specific British demands by and large could boil down to:

- a full-fledged application of the structural reform measures already adopted by the Council, but only implemented with some delay;

- the guidelines which the Commission proposed in its memorandum of 31 October 1973 on the "Reorganisation of the common agricultural policy", and its proposal on sugar.

It is important also to stress that the British Foreign Secretary "recognised that, since our earlier criticisms were made three years ago, world prices for most agricultural commodities are much higher than they were then. It is likely (but not absolutely certain) that there will be a closer relationship between Community and world prices than in the past. We can turn this to our advantage for it gives the Community the opportunity to ensure that whatever the future movement of world prices, the CAP must not become an instrument of excessive protectionism or a threat to world trade through the generation and disposal of surpluses".

These principles seem pretty reasonable; but one must not forget that in agricultural policies, disagreements on -apparently - small items can have large political implications (*).

2. A more open Community

May I say in this context that the classic argument about the inward-looking Community is to a large extent exaggerated and even false.

As far as industrial products are concerned, the Community has much lower import duties than the United Kingdom or the United States. It was the Community that took the initiative, during the first UNCTAD-Conference in Geneva (1964) to elaborate a schema of tariff preferences for the developing

countries ; in fact the United Kingdom, and above all the United States, were - at that time - forcefully opposed to the idea of such preferences. Besides, the Community has concluded an impressive list of free-trade agreements with Britain's old partners in EFTA and with a series of Mediterranean and African countries. And when the Community tried to convince its member states that they should engage on an increased target of financial aid to developing countries, it was the U.K. (and Italy) which were most reluctant, admittedly on account of their own balance of payments difficulties (the 0.7 % target has been agreed by all at Council on 30 April).

So, as far as our relations with the developing countries are concerned, the British arguments boil down to the following two problems :

- the low tariffs, free trade agreements and general tariff preferences which I mentioned before meet with serious limitations in the agricultural field. This brings us back to the problem of the C.A.P.
- Until now, the development aid of the Community itself (with the exception of food aid) was limited to the associated countries. The United Kingdom insists on widening the geographical area for these operations. The other member states seem willing - and some of them are even glad - to accept this new approach ; but some others insist that this may not lead to reducing our development aid to the (poorest) developing countries in Africa ... which brings us back to the question of our total aid (and the British difficulties in that respect).

But the whole trend of the Community's policies since

enlargement has been away from the narrower Associate-orientated approach of earlier years and towards a wider involvement in the problems of the developing countries as a whole. To give only two examples, look at the first steps the Community took last year to implement the Joint Declaration of intention to the Asian Commonwealth, and at the proposals my colleague Claude CHEYSSON recently made for a substantial contribution to an emerging fund for the countries hit by the energy crisis, most of them non-associates in Asia. So I think that, after all, this problem is one of those that can be most easily settled.

The second big issue is the UK-argument for a more open Community bears on our relations with the United States. To use the words of your Foreign Secretary : "Consultation, cooperation and coordination between Europe and the United States should be as natural as breathing. In our view it is essential".

Of course there has been a considerable improvement over the last few weeks, with the successful conclusion of the trade negotiations under article XXIV.6 of the GATT (compensations to our partners for the enlargement of the Community) and the agreement reached on 11 June between the Ministers of Foreign Affairs on a pragmatic approach of the US-European dialogue.

But I would like to draw your attention on some fundamental problems which are bound to lead now and then to differences of opinion on both sides of the Atlantic :

The European Economic Community is the result of a collective wager taken up by the countries which, at the instigation and with the support of the United States, tries to raise Europe above its condition of a fragmented mosaic of

states debilitated and weakened by the Second World War. The aim was to render these states less vulnerable to external pressure which ultimately could have taken the form of armed conflict, and to internal upheavals resulting from misery and disorder.

Expressed in another way, the aim, if I may quote Woodrow Wilson, was to transform Europe into "a place safe for democracy". From the very beginning of the experiment this concern, which also served as the inspiration behind the setting-up of the North-Atlantic Alliance, was inalienably linked with a desire to reorganize the countries of Western Europe (at all events, those situated on the continental mainland) into a single unit in which all material resources would be pooled. By coming together in this new entity the countries of Western Europe also sought to achieve a pooling of influence and, by virtue of their common association, even hoped to confer on the entity of which they would be part an economic power and a political influence exceeding the combined sum of their individual potentials.

A first attempt (thanks to the signing of the ECSC Treaty) to give the Community of the Six a political structure of the federal type failed abysmally. This was the European Defense Community and its logical upshot, the European Political Community. To tell the truth, it was handicapped from the first because it tried to tackle the problems both of national sovereignty of the participant States and rearmament of Germany head on.

The result was a shock from which the EEC was born. At that time the Europeans had clearly enough stamina to stand up against the challenge of stalled endeavours. The customs union progressed rapidly. However, the same was not true with regard to joint policies, where for the moment we are limited to the sphere of agriculture. No significant progress has been made regarding the effective coordination of economic policies and monetary integration is crumbling after a rather good start.

This partial success combined with a partial failure is undoubtedly one of the main elements behind the US-European strains. Some member states of the Community are afraid to engage in a constant and open dialogue with the U.S.A., because they fear that such a dialogue will raise new disagreements between the member states and prevent the emergence of a "European identity".

Another reason for friction has been that the first hesitating steps of the Nine to align their foreign policies have been taken without any adequate institutional under-pinning which would have facilitated a dialogue with the U.S. on issues such as the Middle East where European and U.S. interests certainly overlap but do not always correspond exactly with each other.

In this view, a solid European unity is the best warrant for a constructive atlantic dialogue, embracing :

- the trade negotiations ;
- the reform of the international monetary system ;
- the energy problem ;
- the "revitalization" of the Atlantic Alliance.
- an emerging common foreign policy of the Nine.

Of course, we have to take into account the fact that the opposing

positions are not free from internal contradictions, and also that they are understood in very different ways by the parties. This more than any pleading shows the need for an attempt at clarification and a desire for frankness without which the Alliance is condemned at best to stagnation and at worst to withering away, and so being unable to cope with the many challenges which are facing the West.

Though the EEC countries have so far strenuously rejected any comprehensive discussion of all the problems mentioned, and partly for good reasons, there is - and there must be - an overall vision of American -European relations. However much it may be desired and opportune to maintain separate negotiations on each set of problems, such negotiations nevertheless form an integral part of our overall relations. Even more, some Europeans feel that the ability of Europe to define a clear cut position within the overall framework and thus reveal the true extent of the "European identity" will show what this identity is worth.

3. The Community budget and its "own resources"

Another very important objective concerns the Community budget and its so-called "own resources". In his recent Luxemburg statement (4 June) on EEC terms, M. CALLAGHAN made it perfectly clear that a solution to the budget problem is central to the British objectives in renegotiation.

As you know, the financing of the Community budget is quite a complicated matter. Under the present transitional

arrangements (1973-1977), Britain's share of the budget will rise gradually from its present level of $\underline{+}$ 11 % (in 1973 : 8,7 %) to 19,32 % in 1977.

But from 1978 on, the British share will in principle be due on the exclusive basis of the "own resources". Only for the budgetary years 1978 and 1979, there remains limits to the increase in the relative share. But from 1980 on, the own resources mechanism will function without brakes.

But what is exactly meant by "own resources" and how does the system work ?

The way the own resources system should work was laid down in the decision of 21 April 1970 following the principle agreement of the Hague Summit Conference. This decision provides for the step by step replacement of the financial contribution of the member states, fixed in percentage, with the automatic allocation to the Community of all agricultural levies, all customs duties and a variable tax up to 1% of the VAT.

On the British side, it is felt that if this system is not altered by the end of the transitional period, Great Britain will have to bear an undue budgetary burden. This feeling is mainly based on the following assumptions:

- Britain's growth rate
- the evolution of world food prices, and
- British imports from outside the Community.

Actually, the proportion between Britain's GNP and the Community GNP is about 18 %. It is generally admitted that this figure will even be lower by the end of the seventies. In his statement of 4 June, Mr. CALLAGHAN even mentioned the figure of 14 % which, in my opinion, seems too pessimistic. On the other hand, the fact that G.B. will continue to import a great deal of food and industrial products from outside the Community through the own resources mechanism could increase its share of the Community budget over the 19 % key mentioned in the Accession Treaty (British estimates gave figures up to 24 %). Anyway, it is likely that there will be a serious gap between the British budget share and its share of the Community's G.N.P.

Though the figures given by Mr. CALLAGHAN can be contested, it is obvious that there is a real budget problem for which we have to find equitable solutions.

And I am convinced that it will be possible to find ways and means to lighten the eventual undue load of the EEC budget on the British economy.

14 II. Has the Community any future ?

Now I come to my second question : is there any future for the European Community. The answer to that has to deal with two different though closely interrelated topics :

- is the economic and monetary union still credible ?
- has a "political" Europe any sense ?

The link between these two topics derives from the fact that the E.M.U. is still considered to be the "blueprint" for the economic foundations of our political union. For reasons of clarity, however, I will try to treat them separately.

1. The economic and monetary union.

The first outstanding fact to mention is that several countries have in turn left the Community's "monetary snake" : first, the United Kingdom and Ireland, on 23 June 1972 ; then Italy, on 13 February 1973 ; and finally France, on 20 January 1974. However, in the preliminary outlines, this "monetary snake" was both an essential and symbolic aspect of the gradual progress towards monetary union. Its abandonment by France itself, which had been one of its major advocates, was generally considered as a first demonstration of the danger that Community solidarity was becoming diluted.

So the time has come to scrutinize the motivation, the working and finally the future of E. M. U.

Apart from the political arguments, there are several purely economic reasons to transform the Common Market into an E. M. U. They all derive from the preoccupation and the necessities inherent in the creation of an effective and efficient economic union. In our present economic systems, it is not sufficient to abolish a few obstacles at frontiers in order to achieve genuine free movement of persons, goods and capital within the Community. This requires an ambitious program of measures going far beyond the classic patterns of tariff changes to create a customs union.

Moreover, the vigorous growth of intra-Community trade also increases the interdependence of the Member States. No doubt their economic development benefits from this, but on the other hand they are more sensitive to short-term economic fluctuations in the neighbouring countries, both as regards the rhythm of their economic activity and their balance of payments equilibrium. The difficulties inherent in this situation cannot be resolved if the Member States each continue to carry out essentially independent policies.

The recent Italian and Danish measures have shown how fragile a customs union can be in the absence of a workable E. M. U.

When we look back at the Community's achievement in the monetary field, three important events stand out :

- A half-success or a half-failure : the Community exchange system, more commonly referred to as the "EEC snake" (now reduced to a mini-snake of hard-currency countries) ;

- The establishment of an embryonic European Central Bank : the European Monetary Cooperation Fund ;
- An abortive venture : the pooling of reserves linked to the provision of short-term monetary support.

It must be recognized that the money muddle in which we have found ourselves for some time now is further complicated by the appearance of the phenomenon of the rapid increase in the cost of energy and the rise in the price of raw materials, which confronts us with the following problems :

- the acceleration of world inflation ;
- the rapid accumulation of extremely volatile oil-dollars ;
- the imbalance which will arise between the economies of the consumer countries which will have to foot the bill and whose payments balances will be affected in differing proportions by the higher price of oil and of imported raw materials.

Taken this situation into account, I do not believe that a European monetary area, grouping together all the Community currencies, can be set up again in the very short term. France had indeed announced her intention to become part of the Community "snake" again before the summer, but I doubt whether the economic and political conditions will allow this.

It is still more difficult to see the lira and the pound coming back into the European monetary fold in the near future.

However, in the long run, I do not think that we should give up the idea of the Community snake as a point of reference. It is a clear, precise objective which implies efforts in seeking economic cohesion, an essential factor in bringing our economies closer together.

The enduring nature of the idea of monetary cohesion is at present to be seen in the existence of a virtual DM monetary area which, as the days pass, and despite ups and downs, is a zone of relative stability.

It is certain that this "pole of stability" may well attract other currencies, even those of countries outside the Community. Both the Community and international relations in general can benefit from the development of such a monetary area which directly follows what is considered in economic theory as a "regional approach". This is a preliminary approach which must be kept in mind.

Faced with the failure of previous schemes, some quarters have proposed - as a way out of the actual inertia - the immediate creation of a common currency (the Europa). This idea is perhaps not to be rejected as a lever, but I should like to add that the conditions governing the final success of such a common currency seem to me to be much the same as those determining the success of schemes which are at present in an impasse. In other words, the "Europa" is not an alternative if the political will is lacking and when this will exists, the previous schemes can be revitalized.

Another line of approach, essential in any new conception of the international monetary system, is the more and more common acceptance of the "controlled floating" currency system. Enough experience has been gained in what has been called "this lack of a system" to evaluate its merits and dangers.

Of course, a real Community cannot be built on such a system for its internal relations. Nevertheless, its acceptance, in difficult circumstances, enables a limit to be put on intervention measures or competitive policies which irrevocably distort our economies. At this level, I believe that the floating of certain currencies is at present a lesser evil.

And we should indeed not forget that the mini-snake, which we have managed to keep, is nothing else but a controlled joint-float of the participating currencies in relation to the dollar. New mechanisms could perhaps be devised for a graduated move towards an "all-Community joint-float" ?

Finally, there is the problem of gold. The need for a technical revaluation stems from the fact that, under the existing conditions, the official gold reserves are practically useless : to meet a balance of payments deficit, the gold reserves could only be used under the ridiculous assumption that our Central Banks would be ready to sell it at the official price, i.e. four times less than the market price. As for the I.M.F. : at the official price, its hoard is worth about \$ 6.5 billion ; at market prices, it would be worth in excess of \$ 25 billion. The profit could be used to help the less developed countries.

The Community Ministers of Finance reached an agreement on this matter in Zeist; they arranged some consultations with the United States, and later in the "Group of Ten". Since the recent meeting of the I.M.F.'s Committee of Twenty in Washington (11-12 June) we know that in the foreseeable future the new "mechanism" will be approved and put to work.

Conclusions

There is no point in denying that the Community is cornered on all sides in its plans for monetary integration: several partners have left the snake, the pooling of reserves has been put off indefinitely... There is even a tendency towards a resurgence of restrictive national practices.

In front of all these failures and problems, what we need most is a new political drive against the many challenges facing us at foreign and domestic level. What Europe lacks most is true leadership... Unless it is hoped that salvation will come from some outside force!

At the more concrete level of EMU, one of the main tasks is to ensure that there is effective convergence of economic policies. The solution to this problem requires that trends in certain national economic aggregates, especially prices and the balance of payments, be sufficiently parallel in the various Member States to limit the frequency and extent of parity modifications, without sacrificing the level of employment or economic growth.

This - in one rather long sentence - is the whole problem of the trade-off between inflation and employment, that of the different priorities, of solidarity between Member States and of the decision-making centre. A few words on these last two questions:

The pursuit of integration requires Member States to accept, as the normal rule, the transfer of incomes and prosperity from the most developed regions towards the least developed regions of the Community. Without this, the very fact of integration

would enlarge the gap between rich and poor regions of the Community, provoked by the flight of the factors of production from regions of slow or zero growth towards the more dynamic ones. A principle of solidarity, already accepted for some time now at purely national level, must therefore be accepted at Community level. It is this that is the true and continuing justification of a Community regional policy and not, as it has often been presented in Britain, as a simple device for getting more money back out of the Community kitty than you put in.

The solution to this problem also calls for responsibility to be transferred to the Community authorities. A harmonized economic policy is not conceivable in a context in which each Member State could choose "à la carte" between Community objectives and their means of implementation. This is the problem of supranationality, which, in turn, raises that of the political structure of future Europe.

The second fundamental question is :

2. Does a "political" Europe have any sense ?

First, it should be remembered that all the initiatives taken after the second World War in the field of Western Europe's cooperation and integration had primarily outspoken political objectives.

Even the EEC and Euratom, though pursuing as such economic goals, were explicitly meant as intermediate stations on the road to a more general and thus "political" european integration. And there is no doubt at all that the american support for European integration was mainly inspired by political considerations. In his famous book "The Troubled Partnership", Henry KISSINGER states: "We saw Europe as a potential partner eventually sharing with us burdens and responsibilities of world leadership. Most pronouncements of American purposes reflected our expectation that after its recovery, Europe would no longer require American economic assistance but would continue to pursue parallel if not identical policies". (p.7).

And, am I wrong in saying that, whatever good economic and commercial reasons the former Government may have had for joining the Six, the decision to do so, like the decision of the Wilson Government in 1967 to apply for Membership, was mainly based on political considerations ?

In my mind, there is no doubt at all that the underlying political philosophy, i.e. trying to acquire new strength and wealth in putting certain means and efforts together in the framework of an effective Community, remains entirely valid. And so is even more the political finality of the European Community.

There is indeed no alternative in trying to give Europe a new political dimension which would allow the big countries to play a role in world affairs which they could not hope to fulfill if they kept relying on their individual strength and influence, to enable the smaller countries to share in that increased influence thanks to the Community decision-making. Only a political Europe can guarantee that our area could perform its most indispensable mission to the World: to remain, despite all the shortcomings, the hardship and even the cruelties which paved its history, a model of civilization in which men's individual aspirations to progress and freedom are kept in balance with the demands of the society.

Now this is clearly in jeopardy. And the paradox is that what the British Government is aiming at - at least officially - and what could make the Community acceptable to it, is precisely a state of affairs which would doom this great European design. And if the political finality fades away, then the danger will turn up that the Community will be not more than a "Maxi-Benelux" - which is not to neglect, but which economic and political importance and attractiveness to the member states and to the outside world as well would be very limited.

The fear has been expressed many times that Europe was too much of a "closed Community". Britain was expected to remedy to this "inward-looking" attitude whose features and doings have excellently been described by Andrew SHONFIELD. But there is one point that has to be straightened out: there is no Europe, if there is not a "European identity". And there will not be a European identity, if to some extent there are no limits to the freedom of the member States to do what they

consider to be in their own interest. And this implies a "reallocation" (or transfer) of sovereignty. And I would like to add that this "reallocation" means very often the restoration at a Community level of powers which our national states have in fact lost altogether!

There is also no Europe if there are no features which distinguish us from the other Powers. This does not mean, of course, that to be a good European implies a chronic hostility towards the USA. On the contrary.

Of course, it is also normal that in Britain many doubts subsist about the political finality of Europe. It is no easy task to depart from hundred years of history. It seems to me that Britain is now undergoing the crisis of national conscience which the Germans (with the shock therapy of total defeat) and the French (with deconolization and the collapse of the 4th Republic) have known before.

And then, there is the fundamental question: does Great-Britain have a real and valid alternative to an effective European Community? Some people think it has: either by turning definitely to the USA, or just by continuing sitting on the fence.

I wonder if this approach is not an illusion.

For instance, I can hardly see the interest of Great Britain in a shattered Europe, bringing with it a revival of bilateral relations, especially with the USA. I can imagine that, in this context, the latter will rely more on Germany than on Great Britain.

And North Sea oil is no panacea either. It is of course of fundamental importance for the economic future of Great Britain, but it will certainly not bring solutions for the economic and social problems. And it is not going to change substantially the British position in world affairs. What it will do is to give your country a new and promising chance in Europe.

Final Conclusion

A new potential leadership is emerging in Europe, less charismatic than in the last ten years, but more apt, maybe, to seize the opportunities that are offered to them to leave their mark on history. I am referring to the fact that H. SCHMIDT and V. GISCARD d'ESTAING have recently been called to take up the highest political responsibilities in their countries. They have several things in common, as former Ministers of Finance, and to a certain degree - though coming from different political horizons - as friends. It seems significant that the first visit of GISCARD as a President will be to Bonn.

There is no doubt that the new political leaders of Europe will leave a strong mark on history. If they succeed in rescuing Europe of one of those crisis which are too deeply interwoven with the Community's history. It would be sad indeed if there were no British Prime Minister adding his weight constructively to this new phase in the Community's development.

There is a broad scope of discussion, mutual understanding and even goodwill, but there is a tremendous lack of imagination and political will. I hope I made clear that on many points there is a possibility of an agreement.