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Tenth Anniversary of the signature of the Rome Treaty

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"HALFWAY TO EUROPEAN UNITY"

by

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HALFWAY TO EUROPEAN UNITY

(On 25 March 1967 Europe celebrates the tenth anniversary of the signing of the Treaty of Rome and the birthday of the European Economic Community)

I

Ten years of progress along the trail blazed by the European Economic Community towards European self-determination have made it clear that, provided there are no faint hearts or weak-wills, the goal can be reached. Although in these ten years the landscape of world politics has changed sufficiently to prompt the question whether the aims and methods written into the treaties of integration still hold good, the answer can only be an unqualified "yes". Only the independent Europe that is made possible by the Community can maintain its individual character, can shoulder its responsibility and make its contribution to the progress of mankind -politically, economically, socially, and culturally.

The challenge has, however, changed in character : now that the uncertainty and disorder of the post-war period is over, we are again threatened with the sham order of pre-war times - but now on a world-scale. As powerless spectators the Europeans look on while huge powers of continental dimensions are tempted to divide up heaven and earth. Formerly the centre of world politics, Europe has moved to the periphery. Its former intellectual preponderance is giving way to scientific and technological inferiority. Parochialism and the lassitude which goes with satiety prevail. And side by side with communism, fascism rears its head.

The response of Messina, however, has lost nothing of its validity : a Europe divided by frontiers is economic nonsense. Our economy needs the dimensions of the American and Soviet economies. This is made possible by the Community - the point is no longer a matter of dispute. In the broad political field we find that the situation is the same. To help shape world politics, to be sovereign master of one's fate is today possible only for powers which, thanks to the extent of their territory and to their economic and political resources, compare with the giants of East and West. United, Europe will compare with them; the national states of our continent cannot.

No one amongst them is able alone to harness the power of all Europe to serve its purposes. Europe will achieve unity as a Community or not at all.

The task of unifying Europe is therefore as much with us as it was in 1950 and as necessary as ever. The Community embodies no Europe of fear - it is neither an offshoot of NATO nor an instrument of the cold war - but the Europe of confidence; it reflects not the Europe of Yalta, but a Europe of reunification; it is not a Europe of poverty, but a Europe of economic and social progress. The European Economic Community has long since outgrown the accidents of history due to changes in motives.

II.

There is no alternative.

The "Concert of Powers" is not able to do what has to be done if Europe is to hold its own: stability and peace within, a united front vis-à-vis the rest of the world no matter what the constellation of power may be in the individual countries. On its territory the European Economic Community has set up an institutional order which has replaced the constantly changing coalition of powers. Its unity promises permanence, its order is growing more and more stable. This does not mean that in the Community all differences of interest have already been resolved. There has, however, been a fundamental change in the ways in which they are handled and overcome. What formerly had been a problem of foreign policy has now become a European constitutional problem. Every year the common interest of Europe becomes more and more evident in questions which until quite recently had been the jealously guarded province of national decisions. That we still find particularist interests, real or fictive, and that they are very often contradictory is neither immoral nor un-European. On the contrary, the Community is that much the stronger if it also serves sectional interests and if Europe's nations realize and accept this; but the process has started which will in the end lead to a general realization that there no longer is any enlightened sectional interest which is not also a Community interest. In the Community interests are adjusted and the economic interests of the Community formulated in common institutions, of which one, the Council, has federal features and another, the Commission, exists to defend the interest of the Community and is answerable to the European Parliament alone.

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The institutions also ensure equilibrium in a Community of unequal partners. No progressive state allows the relations between its citizens to be characterized by force or attempts to dominate; there is equality before the law, for which democratic institutions are responsible. What the six Member States of the Treaty agreed upon in Rome is that these constitutional principles, familiar at national level, should be applied to their mutual relations in the economic field. Whether this order is called supra-national, federal, confederal or co-operative is of little more than theoretical interest. The task of the Community's institutions, then, is to develop up-to-date forms of political "community" in that vital sector of national politics, the economic field.

From the angle of economic policy the institutions have also proved to be indispensable for the establishment and the administration of the Community. Whoever wants a European market must also want a European economic and social policy and must advocate Community institutions which formulate and implement such a policy. These institutions, then, form an organic whole; none of the wheels can be removed without bringing the whole machine to a stand-still. Anyone who calls into question matters such as the majority vote or the Commission's exclusive right to submit proposals and its independence is jeopardizing the efficacy and the equilibrium of the Community. The institutions either function as provided for in the Treaty, and then the Community is able to make progress, or they do not function at all and the Community stagnates - this we know from experience.

The idea that we need a new constitution - possibly a fully fledged federal constitution - in order to complete the establishment of the European Community, is for the time being not supported by experience. But integration is advancing: in step with it and in compliance with the spirit of the Treaty itself we must develop the incomplete constitutional structure on which integration rests. Two subjects take pride of place: one is the merger of the Executives; this is assured. The other is the strengthening of the European Parliament. This is a task for the future.

III

The European Economic Community has not as yet been completed; the aim is not only to build a common market of continental scale but, in addition, to merge the economies of the six Community countries in one great European economy. Substantial progress has been made on both scores. The most

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striking decisions are those by which the customs union and the common agricultural policy are to be established on 1 July 1968.

Integration is a great success from the economic point of view. Since its inception in 1958 the Community has come to be the largest trading power in the world : its foreign trade has almost doubled, while its internal trade is almost $3\frac{1}{2}$ times what it was at the outset. The trade of the individual Member States with the remainder of the Community ranges from 36 to 59% of their total trade (in the East 10% of trade with the West is considered as a politically dangerous commitment); on an average 43% of the total foreign trade of all Member States is intra-Community trade. The counterpart of this intensive division of labour is an economic and social stability which makes the 10 years since European integration differ fundamentally from the period between the wars. The gold and foreign exchange reserves of the Community states are almost twice as high as in 1958. Judged by its economic growth, the Community has always been among the leading industrial powers; the real gross product of the Community has increased by more than half, its industrial output by two thirds. All this success has come to be considered almost too much as a matter of course.

It is to the advantage of all, of the entrepreneur, the employee and the consumer.

For industry, the vast continental market is gradually coming within reach. The progressive withdrawal of the State from the internal frontiers offers greater scope for free enterprise. Internal customs duties have already been reduced to token figures and are due to disappear in something over one year. The tax frontier is also doomed; a Community-wide reform of turnover tax has already been decided upon. The economic union which is in progress offers entrepreneurs the firm guarantee of a secure market which in turn permits long-term investments. They can rely upon the unhampered sale of their products in the future, whether their customers live on the north German coast or in Sicily, in Brittany or Bavaria: foreign trade is increasingly becoming internal trade. Freedom of establishment, freedom to supply services, free movement for persons and capital, all the basic freedoms of the Community's economy are being gradually established as a European reality. Protection against cartels and the abuse of dominant positions on the market is provided not only by national laws but also by Community rules on competition which during the past few years have been increasingly in evidence. The basic rule

is competition aimed at efficiency. To European industry the common market serves as a basis and training area in which to develop its ability to compete internationally. Structural reforms have started which are designed to enable our industries to hold their own also against the most progressive competitors from overseas. This means concentration and specialization. We cannot put up with the dwarf size to which many enterprises are condemned by the multiplicity of frontiers. The common market of 180 million consumers is today the yardstick for competition and for the optimum size of an enterprise. The Community must provide trade and industry with the tools of progress. It is helping by the Herculean work it is doing to harmonize legislation, in such fields as company law (where a "European company" may be instituted), tax law and patent law. European savings must be put to more rational use. The lack of an efficient European capital market throws more light on the problem of foreign investments than all the grumbling about a "dollar imperialism."

In the Kennedy Round the Community's export interests benefit from the full negotiating power of the Community. Nor have importers suffered; the best evidence of this is the Community's huge deficit on trade, which is seven times what it was in 1958.

European industry has recognized the opportunities offered and has fully committed itself to the support of the Community.

Even the European farmer, far from being the Cinderella and victim of integration, has benefited more than most others. The Community has spared no effort and no cost in the endeavour to fit him for competition in a technical age. Nowhere is the progressive character of the Community and its support of reform more apparent than in its agricultural policy. This does not mean that all our agricultural decisions are the last word in wisdom. But against the background of a national agricultural protectionism that is both old-fashioned and costly, against the background of the unsolved problem of how the world can be fed, Europe's efforts towards the rational organization of viable agricultural markets in Europe and in the world stand out favourably. The Community is indispensable - and of this the Kennedy Round is providing an object-lesson - if a modern European agricultural industry wants to maintain its position.

The citizens of the Community have of course also benefited from the Community's economic upswing as wage and salary earners and as consumers. Although nobody can calculate this benefit to the last penny, there are plenty of pointers: by his choice of purchases the consumer has the power to decide the direction that will be taken by the free market economy; in a common

market of continental dimensions, this power is extremely large. Every village store shows how great is the variety of goods a European economy can offer. The scale of the European market invites mass production; it forces enterprises to rationalize and to specialize. At the same time competition is becoming increasingly keen. Trade and industry must cut out any slack. All this improves the chances that lower prices - such as those that have already ensued from the abolition of internal customs duties in the Community - will be passed on to the consumer. This is one of the foremost aims in the Community's competition policy; the general upward trend of prices has masked its results, for who would be able to calculate how much the prices would have risen if there had not been a Common Market. But prices are only one side of the medal; the other is much more encouraging: incomes have risen faster than prices, in Germany for instance by 50%, and in this the Community has certainly played a part. Experience shows in addition that in the case of price increases the opening of the frontiers between the Member States acts like a valve through which stability is "imported" and when business is falling off at home it can give a welcome fillip to activity through rapidly rising exports.

IV

It is the task of the European Economic Community to carry integration beyond the establishment of a customs union and an agricultural market by creating the core of political union, which is economic union. This means merging the policies followed by the individual States in respect of the European economy; this is indispensable in view of the part the State plays in economic life. Nobody denies that a coherent policy is essential in an economy, and this holds good for the European economy as for any other. It requires in one form or another- the organization of public power on a European scale; otherwise there will be no secure market. European economic policy, too, is indivisible. If anyone wants to strike agricultural policy or commercial policy from the Treaty, he makes it impossible for the Community to function and destroys the basis on which a balance of interests can be established among its members. Economic union is either created as a whole or it is not created at all. This again has been one of the lessons of the ten past years.

The decision to set up the common agricultural market has now been taken, even though many questions of detail will still keep those concerned

extremely busy. This market is not merely an inevitably complicated system of market organizations, prices and levies, it is also a great political achievement because agricultural policy is a field where national egoisms clash in a seemingly irreconcilable way. With the common financing of agricultural policy a link has been forged in the chain of European solidarity which is unparalleled in history. Thousands of millions are being committed through the Community in order to provide a material basis for a modern, efficient European agricultural policy. No wonder that such action has demanded all the political strength of the Member States and was even the occasion of a European constitutional crisis.

It has become evident that the need for industry in Europe to be geared to a vast area is even more vital than was foreseen in Messina. The Community will now have to focus its attention on this task. This means not only increased activity in the fields of competition policy, structural policy and tax policy, but it also calls for European action in the spheres of science and research. Three further points on which attention will have to be concentrated during the rest of the transitional period are transport, energy and trade policy.

In general economic policy we are immediately faced with the need to co-ordinate more intensively the measures being taken by the various Governments, that is, they must be brought into line with each other and with the action being taken by the Community. With its medium-term economic policy programmes the Community possesses an instrument which can encourage those responsible for economic policy in the Member States to concert their action. The short-term Economic Policy Committee and the Committee on Economic Budgets provide the necessary forum for discussions at Community level between the authorities responsible for these matters in the Member States. In the struggle against inflation the efforts made to achieve a European short-term economic policy have produced their first successes. In the field of monetary policy, the Monetary Committee and a body composed of the governors of the Central Banks are doing useful work on the harmonization of policies in the short-term economic, monetary and financial fields. The idea that there will have to be a European monetary union is gradually gaining general acceptance.

It can hardly be said that the Member States are advancing towards economic union by leaps and bounds. The ground to be covered is too

difficult. But as customs union and agricultural union are completed, a wide array of arguments is emerging which justify the demand for the establishment of economic union too; on the basis of our experience and of the preparatory work we have been doing, this task can be completed within a few years. Even today there is hardly any field of economic activity with which the Community is not concerned.

V

It was the intention of the powers which reached agreement in Messina that the European Economic Community should be the core and vanguard of an all-European Community. Wherever freedom and human rights are cherished in the West and in the East, the peoples of Europe are summoned to collaborate in the task of unification. In the ten years since the Treaty of Rome was signed it has come to be generally recognized that - in the words of a resolution passed by the Consultative Assembly of the Council of Europe on 26 January 1966 - the European Economic Community, which still needs to be enlarged, offers the best foundation on which to build the economic and political unity of the whole of Europe.

There are two normal forms in which non-member countries can be linked organically with the Community: membership and association. Membership does not mean merely accepting the letter and the spirit of the Treaty of Rome, together with its ultimate political objectives, it implies the principle that the legislation passed by the Community institutions, the "derived" Community law, shall also be accepted. Nobody can ignore the existence and the progress of the work of unification accomplished in these ten years. The Community is a living reality; those who want to obtain a share in it as full partners must accept it as it is and as it works, with all its economic and political implications. This conclusion does not of course exclude adaptation and transitional measures. To those who from choice or of necessity have to limit the objectives of the organic link they seek to establish with the large-scale European market, association with the Community offers a wide range of possible solutions to be negotiated on a basis of reciprocity. Here again, in the final analysis, it is not just the improvement in trade curves that counts, but the contribution which the agreement makes to the consolidation of an independent Europe.

All this has not been merely academic. The Community has already grown beyond the original group of six members: Greece and Turkey have been associated with it. The task of tailoring a European suit to Austria's measurements, that is, of finding a solution which makes due allowance for that country's special

status of neutrality, has already been taken in hand; it seems that a treaty will be drafted before the year is out.

Since last autumn the moves made by Great Britain, Ireland, Denmark and Norway have revived active interest in the question of extending the Community.

It is known that basically the attitude of the Commission is favourable. That Britain is again turning to Europe arouses our sympathy and our hope. This is not the place to list the mass of questions and answers that would stem from such a historic event as Britain's co-operation in the unification of Europe. Britain's entry is a political factor of the greatest importance, and it is only natural that the Governments of the Member States, which under Article 237 of our Treaty are responsible for acceptance or rejection, should apply a political yardstick. Unlimited patience, imagination and a constructive spirit are necessary if the task is to be brought to a successful conclusion.

It is often suggested that the four states interested in membership ought to join the Community at about the same time. The possibility that membership of the Council should rise suddenly from 6 to 10 means that the Community must consider the overall effect of all applications and must in particular look for ways and means of ensuring that the efficacy of its institutions does not suffer at the very time when the Community is being built up.

New tasks of a structural nature are also coming to light in Southern Europe and on the other side of the Mediterranean, where additional states are seeking a closer relationship with the Community. It is not only the geo-political relationship but also the similarity of economic problems which call for a comprehensive and stable plan to guide the development of this area. Work on such a plan is already in hand.

For Eastern Europe, too, the European Economic Community will, once customs and agricultural union have been completed, become a factor in economic relations, and consequently in politics, which cannot be overlooked. Use will be made of this factor. The situation arising from integration will in the years to come be used, as intensively as the differences in economic systems and orders permit, to promote the Community's policy of co-operation throughout the whole of Europe. Whether such co-operation can later be expanded into an organic connection between the Community and East European States remains to be seen. The work on unification

of the Community will be incomplete if it does not contribute to the re-unification of Europe. Europe is more than the economic and political aggregate of EEC plus EFTA; East and West Europe also belong together. The solidarity of Europeans does not stop at the line Lübeck-Trieste. We share the responsibility for the welfare and the living standard of all Europeans.

And lastly, it must be pointed out that the unification of Europe is directed neither against the Soviet Union nor against the United States, but is in the interests of both. Monolithic Atlantic or Soviet set-ups on either side of the demarcation line of the status quo tear Europe asunder and weaken its parts, preventing self-determination and thus frustrating any hope of a lasting reduction of tension. With the establishment of a Community order in Europe it might on the other hand be possible to do something that cannot be achieved by a bipolar system of world power or by a balkanized Europe: it might, that is, be possible to exorcise by peaceful means the dangers inherent in frontiers and to eliminate the storm centre of Europe from which two world wars have originated. This would provide sure foundations for confident co-operation with the rest of the world, or even for a genuine partnership.

In the forward-looking policy of President Kennedy, "Atlantic" partnership between Europe and the United States depended on European unification being completed. Only when it is united will Europe be strong enough to assume the rights and obligations of a full and equal partner and so in the last resort to determine its own destiny. The Kennedy Round is a first example of this policy in practice. With these negotiations the economic dialogue of the continents has been opened. This success goes to the credit of the European Economic Community, or is at least a result of its existence.

Political union in the additional fields of foreign policy (other than trade, which under the Treaty of Rome is already a matter for the Community) and of defence policy would provide the necessary coping stone for the work of unification; it would also provide the final impulse required for completing the constitutional structure of the European federation. Everybody knows that in these fields the Member States are not yet following parallel courses. This is in no way the fault of economic integration; on the contrary, the nearer economic integration comes to completion, the stronger will be the argument it provides

for an increasing community of action. Economic integration does not of course automatically lead to what is known as political union. In politics nothing happens of its own accord, what is done is done by man, it is human will translated into action. And there is nothing in the Treaty of Rome which cannot be executed should the Member States fail to agree on matters such as frontiers, military strategy or their relations with other powers in the world. For the foreseeable future, at least, economic integration can proceed without unification having to be tackled in the fields of foreign policy and defence.

But it is in the logic of the situation that integration should go beyond what is strictly economic. Common sense points increasingly to the need to cooperate more and more closely and to arrive at a common approach in questions of foreign policy and defence policy. Economic unification in its irreversibility is a direct reminder to the Member States that they should come to an understanding in other fields too, and it makes such agreement easier. Of course, more is needed than words, resolutions and plans; deeds alone will create lasting unity. Everybody can take the experience of the Economic Community as a precedent. Its example shows that, even where vital national interests are at stake, it is possible thanks to a Community constitution to find a balanced solution for Europe and that in the long run this is to the advantage of all concerned. Our experience is against the partners being required in advance to commit themselves to a policy of perfection. Agreement on Europe's ultimate goals and interests should be sufficient.

All this does not mean that the constitutional form of the European Economic Community is to be recommended as a model to be imitated slavishly in the fields of defence and non-economic foreign policy. The means used to achieve unification will depend rather on the objectives. But a warning should be given against the mistake of disregarding the wealth of experience gained in the Community. It will in any case be necessary gradually to evolve a securely based and independent institution which embodies the common weal of Europe and which can conduct with the representatives of national interests the dialogue without which no peaceful and durable reconciliation of European interests will be possible. Experience also shows that only if the constitution ensures effective equality of rights even for the smaller members of the Community can there be the unity, efficiency and stability which will be necessary if Europe is to maintain its position.

The breakthrough of common elements in the material side of foreign policy and defence in Europe is nearer than might be supposed. In particular, the views held on the defence of Europe are even today providing a basis for the gradual integration of the European States. There is, for instance, the need to give more weight to the European voice in all fields when the North Atlantic Treaty Organization is reviewed in 1969. There is also the inevitability of increasingly close co-operation in the production of sophisticated weapons, if only for financial and technological reasons. And lastly, in view of the military development of China, we will have to familiarize ourselves with the changed situation which affects all Europeans and has ceased to divide them into two camps as did the Bolshevism of the imperialist, post-war kind. This opens up prospects which make an anachronism of all defence considerations based on regional, inner-European arguments - in much the same way as in European economic policy we have long since had to get accustomed to thinking in world terms.

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VII

The policy of unifying Europe is in its objectives and in its methods as immediate, as correct and as necessary as it was in 1950 and 1955 and as it has been ever since. The changed world situation has made it if anything even more urgent. If we do not stir ourselves, the present balance of forces in the world will harden without Europe being able to co-operate as a responsible partner, and perhaps even at the expense of essential achievements of Community policy (for instance equality in the civilian nuclear field, autonomy in the control of the Community's nuclear affairs, the common market for nuclear fuel). This should be the decisive lesson to be learnt from the dismal non-proliferation debate which in the last few months has been creating unrest in the Western Alliance. Even those who are prepared to anticipate a complete easing of tension between East and West must see that in place of the threat to our existence we then have the danger of a permanently divided Europe. The only solution in either situation is a resolute policy of unification.

The unification of Europe is, after all, no longer the Utopian idea it might have appeared to some from 1950 till 1957. To a considerable extent it is already a reality or is at least feasible in all fields. This is the great lesson of the past ten years. How far Europe becomes a reality depends on how far its statesmen have the will to create it. That this applies in particular to foreign affairs has been shown by the Kennedy Round negotiations. In 1962 the starting positions of the Member States differed widely, and today they have been brought very close together.

While the unflinching will to unify Europe is a sine qua non for success in this undertaking, it is the false "realists" among us who are the most serious danger. I am referring to those who cannot see beyond the events of the day, who thrive on the malaise felt when some measure of harmonization or adjustment is not immediately successful or when - even worse - cherished habits have to be abandoned. The daily round of integration is the work of man; it will not always be smooth, and still less sensational. There have been setbacks, and there will of course be setbacks in the future. Cassandras will be of no assistance; what we need is courage and devotion to the task, combined with a proper sense of proportion and a readiness for far-sighted action.

What, in the final analysis, is at stake? The greatest factor in our efforts is the idea of peace. Nobody wants to hear a phrase such as that of

George Sorel again : when he spoke of "this graveyard, Europe, denized by peoples who sing before they go forth to slay each other". The European Community is first and last a work of peace. Its ways, its procedures are those of peace. Its objectives too are those of peace, peace in Europe through a lasting and forward-looking peaceful order, with Franco-German reconciliation as its core, and world peace through a European policy of solidarity and responsibility.

From now till 1980 we have before us the same span of time as from 1957, when the Treaties of Rome were signed, till the period of transition ends in 1970. That is good enough ground for us to devote the same attention to the ten years ahead as we did in 1957. The end of that period can and must see a politically united Europe. I believe that the target - already raised by Giscard d'Estaing - of full political union within this period is a realistic one provided we continue unwaveringly along the road on which we have set out and see to it that within the next five years customs union is followed by economic union. We should remember, too, that the most important "new fact" of the seventies will be the appearance of the first post-war generation in the key positions of Europe. The acid test of the policy started in the post-war period will be whether it is able to bequeath to this generation a secure road to conditions which are normal, in the sense that they do not conceal deadly tensions.

Our road lies through unity in Europe.

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