

ADDRESS

given by

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Introduction

A few days ago I found on my desk two large volumes of press cuttings on the tenth anniversary of the signing of the Treaty of Rome. Thousands of lines have been devoted to the European Economic Community. It has been the object of praise and blame, of hope and scepticism among the public. This is in itself a remarkable situation.

The fact that what we are doing in the field of integration demands so much effort on the part of the press, that it is the subject of such acute analysis, the fact too that even the editors at home show in striking headlines their appreciation of the way the correspondents in Brussels have acquainted themselves with the matters on which they report - these are things which certainly do not augur ill for the "State of the Union". Obviously Europe still has its popular appeal - despite the mass of technical intricacies which mask the progress towards unity. It is well that this is so, for how can there be a common European will to pursue the political union of the Member States if the peoples of Europe are not aware of what is at stake? In arousing and keeping alive the consciousness of a common European purpose, the press fulfils a task which is indispensable to integration. The Community has no flag, no anthem, no Minister of Propaganda; its "understatement" goes so far that it allots its information services only modest funds with which to present its own case. And owing to a lack of power to take substantive decisions, the European Parliament has still little chance of dramatizing and popularizing the great questions of unification in a way which would gain the attention of the public and mould opinion. In this situation the press - and above all the journalists assembled in Brussels - have shown themselves to be a factor in the formation of public opinion in Europe. For this I thank you.

It is always intriguing to see the European Community through the prism of the press, not only because of the play of colours from the pitch black of our many Cassandras to the rosy pink of those imbued with simple faith, but also because one comes across some surprising features, especially in what is written on a European anniversary such as we just celebrated. I therefore want to chat a little about the impressions I had as I turned over the pages of the two volumes. Of course I am not doing this in order to provide you with the umpteenth report on our successes. The overall picture is, indeed, impressive, in fact it is overwhelmingly unanimous in the positive tone of the assessments; I would have to go to the length of quoting "Pravda" or its French echo, "Humanité", in order to find a gloomy colour to offset the rest. But this does not mean that there are no worries on individual points. I am not going to skate round them while I plug the story of our overall successes.

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I.

The "Malaise"

In fact the credit balance contrasts curiously with the expressions of malaise often used in connection with the Community's work. Many people are still suffering from the "European malaise".

1. Lost illusions

It is a curious illness: a sort of "désenchantement" - disenchantment with the ideal of European unity. "EEC mood no longer euphoric", writes the Times. The dream of merging the countries of Europe is said to be over; a German weekly tells me that the idealistic drive to unite Europe has given way to a mole-like activity concerned with regulation of the markets for lard or for cheese.

Well, this is just what happens when dreams are translated into realities. Welding Europe into a single unit is no idyll. I have never believed in the miracle weapon of the famous "esprit européen", now reported to be dead. Conflicts of interest within Europe cannot be overcome with just a dash of goodwill; they must be taken seriously. If the work of unification is to assume concrete form and to endure, there will have to be a tough and often arduous struggle for compromises on innumerable questions of detail. This will mean sharp controversies and indeed crises and setbacks - but no more internecine wars, thank God, we are at least past that. In all this, it must be agreed, there is little room for romanticism.

It is nothing but disappointed European romanticism when people become impatient and discouraged, and throw in the sponge because ten years have not sufficed to create the United States of Europe. Urgent as it is, unification is a long-term undertaking.

To turn the Common Market overnight into a federal Europe is indeed a chimera - but not mine. I remember a conversation with Jean Monnet in the "founding years" of Europe; together we estimated that the time required was at least a generation, and all historical examples of federation bear this out.

"Integration without illusion". This does seem to me to be an apposite title. We have certainly all read it with approval.

2. Uncertainty

Worse than the depression that can result from lost illusions is the loss of sense of direction induced by the "malaise européen". The stage reached and the progress made by integration become blurred and expressions of uncertainty alarm public opinion. There is talk of a state of siege. A serious crisis is forecast. The reader is told of a creeping paralysis that has attacked the Community where, for nearly a year, only current business has been transacted and whose institutional machinery is just ticking over. The partners, we are told, lack the political will to act in unison; the Treaty is reduced to a mere text, it has no spirit. Well, is it all true?

If anyone looks for facts to back up such judgments, he will find little more than ... the "malaise" - I almost said the dear old "malaise", a bit like the Berliner who described it as "the happy sense of being in trouble through no fault of one's own"! Even great steps forward in integration, such as the European tax reform recently decided on, obviously do not suffice to expel the feeling of disquiet which arises from perplexity concerning the paths and objectives of European policy. The way to treat this trouble is to offer more information and expert help in getting things in the right perspective. Here the European press has a task and a duty.

It cannot be denied that the work of unification is at present incomplete. The Community is necessarily imperfect, for it is beginning at the beginning, and not at the end. Economic union is still a patchwork of successes and gaps. We have not yet succeeded in expanding the Community to "continental dimensions". Internally it still has not achieved a federal and democratic constitution. The establishment of political union in foreign policy and in defence policy has not even been tackled. But a start has been made, more than that, we already have the firm basis of an economic solidarité de fait on which "to establish the foundations of an ever closer union among the European peoples". The Community has fulfilled this task laid down by the Treaty of Rome. No resistance to the work of unification, then, no imperfections in what has been done, can provide grounds for losing heart; on the contrary, they must spur us to ever greater effort till the task is completed. The objective of European policy continues to be full political union. From this, and not as a welfare community, however profitable that may be, the Economic Community draws its ultimate justification. This aim is as topical, as right and as realistic today as at any time since the fratricidal wars we have had in Europe.

II.

The institutions

In the press, concern about the possibility of achieving the aims of integration has often been linked with criticism of the European institutions. From the angle of method this is quite right, for if the institutions of the Community do not function properly integration will not be a success. Either they function in accordance with the Treaty, and the Community is thus in a position to advance, or they do not function at all, and the Community will stagnate - as we know by experience.

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1. Nationalism in the Council

The reproach is constantly made against the Council that it has failed in its duty as a European collegiate body. Instead of working on the principle that the general interest must prevail over the particular, its members have reverted to nationalism. The reproach seems to me rather academic. The Council is a federal organ in which the delegates of the Member States are to represent the legitimate special interests of these States. This does not mean that they would have no European responsibility. They must subject themselves to the process of hammering out, and helping to implement the general will of the Community. The hub of this process is the dialogue between the members of the Council and the Commission. It is only at the end of this dialogue that the European balance of interests is established, that the common weal becomes apparent. The success of the Economic Community, which has been to the advantage of all partners, shows that this institutional mechanism has so far functioned. True, the constitutional crisis has left traces - in the shape of a lessening of confidence; it was indeed the first real and serious case of desertion; but it has not impaired the Community's ability to achieve a balance of interests. This is proved by the progress that has since been made.

I consider greatly exaggerated the fear that "absenteeism" on the part of the Ministers could hinder the shaping of a Community will in the future and reduce the Council to a phantom. In the past Germany has often been represented in the Council by its "four musketeers" and the Council has not suffered from this - quite the contrary. The decisive point, apart from a knowledge of the subjects on the agenda, is the negotiating authority given to the Council member. Moreover, it cannot be expected that a Minister who, after all, also has duties to perform at home, should for instance, simply exile himself to Brussels for the often non-stop agricultural negotiations. As it is, the strain to which Council members have exposed themselves deserves the fullest recognition.

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2. The Commission's "traumatic experience"

An English journalist finds that since Luxembourg the Commission has been suffering from its traumatic experience and that it is being careful not to cause raised eyebrows in the Member States. We read that it is no longer "in politics" but now only "in business".

Eyebrows may be raised or not, but our business is politics. The constitutional crisis perhaps put an end to an "uninhibited" phase in the life of the institutions. But it has not led to any fundamental change in the way the Commission works or its position. Its confirmed independence, the dialogue with the Council and its answerability to the European Parliament have been as little affected as its ability and quiet determination to exercise without let or hindrance its duty of ensuring the full application of Community law. It is the Commission's business to fulfil this role completely in the future as it has done in the past. If there is one thing that hampers the Commission's work, it is the often scarcely bearable tightness of its personnel budget, which has already repeatedly prevented it from using its powers to the full.

3. Impotence of the Parliament

The lack of a direct link between the European citizen and his institutions is certainly a severe handicap for the Community, but it is going too far to claim, as does "L'Humanité", that the latter lacks any basis in democracy. To claim that sovereign rights must be returned to national hands - or even merely to hold up the progress of integration - on this pretext would not be in accordance with the will of the peoples of Europe.

The still unfinished constitutional edifice must rather be developed pari passu with the progressive integration which is based on it. The Treaty of Rome itself provides for this. Two

subjects are to the fore. One is the merger of the Executives, which is ensured, the other is the strengthening of the European Parliament, which is a matter to be dealt with in the future.

The achievements of the European institutions are thus sufficiently positive to justify our confidence that integration will proceed.

III.

Economic unification

What I have already said allows of some degree of optimism as to further advances in the field of economic unification. Even when allowance is made for all worries and all wishes in connection with individual details, this spirit of confidence colours the reaction of business circles to the tenth anniversary of our Community.

1. Absence of economic integration

This is not necessarily contradicted by the remark of one observer that the economies are still essentially organized on a national basis and that the integration of European undertakings has hardly started. There is nothing surprising about this. Not all frontiers have yet fallen, after all, and much of economic union is still no more than a blueprint. We will talk about this again in a few years' time.

However, the enormous rise in the Community's internal trade (now three and a half times what it was in 1958) already shows that the integration of the markets is in full swing. This is also an indication that businessmen will go along with the next steps towards integration. In many cases they are already discounting this development in their calculations and investment decisions. Structural reforms and even changes of location will use to the full the opportunities offered by a

wider Europe once other frontiers have fallen - in company law, on the capital market and elsewhere. Competition from overseas will help to speed the process. But there is unquestionably still much to be done before the six national economies of the Member States have been merged into one large and uniform European economy.

2. Dissatisfaction of the consumer

The impatience of consumers is well known. Is the unification of Europe not a failure if the citizen in his role of consumer has not as yet drawn the slightest advantage from economic integration? This question keeps coming up.

It must be answered in the negative. The European consumer looks at prices, but these are only one side of the medal. The other offers a much more favourable picture: incomes have been going up much more rapidly; purchasing power has increased substantially. The supply of goods to be bought is not only more highly perfected technically, it is above all more ample. No consumer in the world is offered a range of goods comparable with those on offer in the west European centres of consumption. Nor must it be forgotten that the transformation of Europe's economic structure in the search for optimum capacity, on the lines of what has been done in the United States, has only just begun and cannot be complete for many a year. There is however no doubt that the European citizen, both as wage-earner and as purchaser, will derive lasting profit from this development.

IV.

Political unification

If, despite all the Community's undisputed successes, an undertone of disappointment and uncertainty is to be found in many comments this is due to acquiescence in the fact that the political

union of Europe is further away than ever. Some weeks ago Raymond Aron wrote that "Le Marché Commun est un succès économique ... et un échec politique".

1. Economic and social policy

He is certainly not right in so far as he is thinking of the task set by the Treaty of Rome, the establishment of an economic and social community in Europe. From this angle, political unity among the Member States is growing in substance and permanence year by year. Many forces are working in this direction. We have the customs union, and with it the Community's tariff and trade policy. We have the agricultural policy - that Herculean undertaking, as it has rightly been called - and the common financing of the agricultural system. We have the breakthrough to a common fiscal policy. We have the first European economic programme. We have the beginnings of a co-ordinated short-term economic and monetary policy. True, it cannot be claimed that the Member States are advancing on the road to the economic union with seven-league boots: for that the terrain is too difficult. But the argument that "despite all the successes of the customs union the old reservations concerning a common economic policy have not yet been given up" is one-sided.

If we had not been long aware that the EEC is a "Zoon politicon", we should have discovered this from the reaction of the outside world. President Kennedy stated that the build-up of the Common Market was the greatest political achievement of the twentieth century but that it was also the greatest challenge facing the United States. As we know, one reaction to this challenge was the Trade Expansion Act which opened the Atlantic dialogue of the continents in the area of economic policy. Even apart from this there is no lack of proofs of the political force exerted by the Community: the association of Greece and Turkey, the repeated moves on British and Scandinavian membership,

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Austria's tightrope walk in the direction of EEC, the quiet but intensive efforts of the east European states to come to some arrangement with it, the way the Mediterranean countries are turning their eyes towards Europe, and the link with the associated African States, all these things are entirely due to the European Economic Community being subject to a political law of its own.

The third proof of the progress being made by political unification in the Economic Community is the success of the European institutions. In all struggles and crises the Community element has proved its worth when a balance was to be struck between the political interests of the Member States. We have been successful in ensuring the unity, efficiency and stability of the Community within the framework of the law. "Unification under the rule of law", wrote Friedrich List at the beginning of the 19th century, "is the highest aim of rational policy." In the Economic Community then, we have a nucleus and vanguard for our political Europe. It will now be necessary to continue the work of political unification in the fields of external and defence policy, fields which have not yet been integrated.

2. External and defence policy

Worries and criticism are all directed towards those fields. "Un traité bien exécuté, mais on n'est pas allé au-delà"; "Marché Commun sans l'Europe?"

Have then Europe's hopes of attaining full political community through the Economic Community been shipwrecked? I think that it is far too early to pronounce on this. The facts of life - no mysterious automatism, no "Marxisme au rabais" - will really be perceived by and force themselves upon politicians only when economic union becomes part and parcel of daily life in Europe. Only the establishment of the Economic Community provides the precedent to which all will be able to point. It shows that even where vital national interests are at stake a European

compromise can be found thanks to a Community constitution, and that in the end it will be to the advantage of everybody. But for the moment people will have to show patience.

Hardly anybody is against unification, but everyone wants quite a different political unity. "Etats-Unis d'Europe ou Europe des Etats-Unis"? is for many the key question. But it is only the "terribles simplificateurs" who see it this way. Their approach reveals a fatal error of method. Instead of asking for the adoption of more or less well-defined aims before a start is made with pragmatic political co-operation, we should realize that European aims can be formulated only as the result of a lengthy process which it is our first task to get under way. For an essential part, political union is a constitutional problem.

V.

The enlarged Community

"Das ganze Europa soll es sein!" In the end Europe must, so to speak, stand entire. The slogan serves to remind the Community of the preamble to the Treaty, where the other peoples of Europe who share our ideal are called upon to join in the work of unification. We hear that it will become increasingly difficult to enlarge the Community as integration progresses. The opposite is correct. The more the Community's structure has been tested and the firmer it becomes, the easier will it be for it to accept new partners.

For this reason the disappointing failure in 1963 of the first attempt to widen the Community by admitting new members is not final. The new British move in the direction of Europe awakens our sympathy and expectations. This is not the place to set out the whole range of questions and answers which would be raised by the historic event of British co-operation in the economic and political unification of Europe. The substantive questions seem on the whole capable of solution, at least in the

longer run. As to procedure, the next move is now with the British Government. Any prejudging of the political decision to be taken on that Government's own responsibility would be speculation.

Conclusions

Let me close with a few general conclusions. The European Community is there to help Europe maintain its position in the world. This is the yardstick by which all progress in the task of unification must be measured, both internally and externally.

Ten years ago the Treaty of Rome was nothing but a promise. For changing the world there had to be action. This action - in so far as it has been taken - gives us today the assurance that we are on the right road:

- (i) It has proved true and is becoming more and more evident that if European industry is to survive it needs a secure market of continental scale, and this it is given by the Economic Community. The same applies for agriculture.
- (ii) It has proved true that business life requires public power to be organized on a European scale. This the Community does.
- (iii) It has proved true that a secure institutional order is necessary if the interests of the Member States are to be reconciled peacefully and the progress of the Community is to be secured. The Treaty of Rome has established such an order. Its core is the dialogue between Community interest and particularist interests, its basic law is the equality of the partners.

On the Community's birthday the French Foreign Minister, M. Couve de Murville, made the following statement: "La volonté de collaboration attestée par tant de sacrifices consentis et tant d'obstacles surmontés ensemble, les habitudes communes qui en découlent, les solidarités multiples qui en naissent, doivent être prises en considération pour apprécier à sa juste valeur l'oeuvre entreprise il y a dix ans." This is true. The vast majority of Europeans have made the Community a firm component of their business actions and their economic thinking. As they know, it is in this field that the first chapter of European unification is being written. On our knowledge of this fact we build our hopes that European unity be strengthened and enlarged.
