

BUILDING THE ATLANTIC PARTNERSHIP

Commissioner Lambert Schaus
European Economic Community
Delivered Before World Affairs Council of Northern California
San Francisco September 14, 1964

This marks the first time that I and the members of my staff have had the opportunity of visiting the United States. We have prepared carefully for this visit, and we are familiar, in broad outline, with this country's economic and political situation. In undertaking this trip - during which we hope to learn more about the United States and to discuss common problems - we are curious, if not to say eager, to know if reality corresponds to our expectations.

I feel rather like Christopher Columbus must have felt when he set out to find a new world: the ship is well fitted, the sails are filled with a hopeful wind, the compass indicates that we are on the right course. But will we find at the end of our voyage the country we thought we would discover?

After a stay of less than two weeks, it would be presumptuous to make even a preliminary judgement about such a large and politically and economically powerful country as yours. I think, however, I can say that this country, which we are coming to know better, lives up to our expectations.

Of all the impressions I have gathered so far, I would mention two.

Yours is a federal system in which the states preserve their individuality, their own character. You have achieved unity in diversity. The states of the Union have political and economic powers which are often very extensive; the federal government has the necessary powers to "provide for the common welfare" and "to preserve the Union".

Through federalism, the American people have created a nation which is a great world power. What is most striking to a visitor is the profoundly human character of your economic and political system. The individual always seems to be foremost in your thinking. Man does not serve the state; the state must serve man. The state is not an end in itself; it must enable man to live with dignity in freedom and peace.

What you have accomplished in the United States is precisely what we in Europe seek to accomplish.

* * * * *

You know Europe well - its history, its culture, its traditions - Europe which once was the home of many of you. You also know that Europe has often been the scene of internecine wars. Each time in this century when a war broke out in Europe, the conflagration spread, endangering the whole world. On the battlefields of the last two European wars - which unfortunately were world wars - most countries of the world contributed the blood of their young men. The United States paid a great and tragic tribute of tears and blood, a sacrifice to which we pay homage.

After the second world war, those European political leaders with foresight and courage realized the need for a clean break with the past in order to unify Europe. Foremost among them were Alcide de Gasperi, Robert Schuman and Konrad Adenauer. Beside them stood Winston Churchill who, however, could not or would not accept all the implications of European unification. Nor should we forget Jean Monnet who was the architect of the European institutions. Thus, among six European states - Belgium, France, the Federal Republic of Germany, Italy, Luxembourg and the Netherlands - were created the European Coal and Steel Community, the European Economic Community and Euratom.

During the world wars, the United States stood beside the European states whose freedom was threatened. The United States, in the aftermath of the war, effectively and generously helped Europe to recover through the Marshall Plan and the Organization for European Economic Cooperation. NATO was created to defend the freedom of the West. American political leaders know that a strong Europe was indispensable for the maintenance of international peace. Thus they encouraged European economic and political unification and military cooperation. The common defense has continued to impose heavy burdens on the United States. But American political leaders believed that European political unity had to be the primary objective.

Europe of the Six became strong and prosperous. Other European countries - among them the United Kingdom - applied for membership in the Community. On the other side of the Atlantic, the United States began to face a balance of payments problem. In a changed situation and with great foresight and realism, the late President John Fitzgerald Kennedy proposed in 1962 a partnership between Europe and the United States. This proposal was received favorably in Europe, because it corresponded to economic and political reality. Through the Trade Expansion Act, the United States initiated the Kennedy Round of Trade Negotiations in the Framework of the General Agreement on Tariffs and Trade.

* * * * *

I thought it necessary to recall briefly these facts in order to place current Atlantic relations in their proper context. I can only briefly touch upon our common problems which are both significant and complex. The breakdown of negotiations between the Community and Great Britain in January 1963 certainly was a great disappointment for the United States as for almost all European countries. The resulting situation represents a political reality which must be accepted - at least for the moment. Undoubtedly, this situation has created concern about the premises underlying a complete success in the Kennedy Round. Yet politics is the art of the possible; the negotiations must have a realistic basis.

The Kennedy Round, which began officially in May of this year, has not yet yielded the hoped-for results. I do not find this disquieting however, because these negotiations are difficult and complex. Many problems must be solved; many interests must be accommodated. The ultimate level of the linear reduction must be worked out in line with agreements on disparities and the exceptions lists. The Kennedy Round includes not only the key countries such as the United States and the European Community, but all GATT members including the developing countries whose interests we must and want to respect.

Agriculture is a most serious problem. The Community maintains that the Kennedy Round must include agriculture in order to be a complete success. Farm policy causes great difficulties for all political leaders - even those who govern under systems differing from ours. This is essentially due to the character of agriculture which, in large measure, is not easy to forecast or to control.

The EEC is often criticized for pursuing an autarchic and closed agricultural policy. This the Community cannot accept. Europe must first restructure its own agriculture, which is very different from that of other countries, including that of the United States. Community agriculture is primarily characterized by the family farm which cannot be abandoned for sociological and political reasons, without providing an efficient system of adjustment assistance.

The EEC's Common agricultural policy takes into account the interests of non-member countries. The levy system does not prevent this nor does it preclude international agreements for certain basic commodities. The Community now proposes GATT negotiations on the amount of farm supports and seeks to reduce non-tariff barriers as well as protective tariffs. According to the Community proposal, all GATT members would agree to bind the total amount of support given a commodity without restricting their choice of measures used.

In this brief review I cannot discuss these matters in detail; they are now on the GATT conference table. We hope that the negotiations, which begin again in mid-November, will lead to agreements that are satisfactory to all. In the name of the EEC Commission, of which I have the privilege of being a member, I assure you that we will follow an outward-looking policy aimed at the successful completion of the Kennedy Round.

* * * * *

Outside the Six doubts are occasionally expressed about the Community's commitment to this policy. Even without casting doubt on the intentions, good will and dynamism of the EEC Commission, some wonder if the Community's structure would allow for this policy, since unanimity among the Six is required. On this, there should be no misunderstanding.

Each international organization has its own particular structure. The EEC is not yet institutionally a federation. But neither are we simply an economic confederation. The Community's institutions seek to establish a balance between the common interest, as represented by the Commission which is the initiator of all policies, and the national interest expressed by governmental representatives in the Council of Ministers. Is not the American system analogous; the Administration cannot carry out its policies without the agreement of Congress.

A single EEC member state can prevent certain decisions being taken when the Rome Treaty requires unanimity. However, we should remember that economic reality is determinant. Politicians cannot ignore for long a nation's economic expectations.

Politics are fluid in a democracy. In the EEC, we could hardly expect that the political situation in the six member countries would remain the same as in 1957. The idea of European unification continues to make progress. We will find obstacles in our way; they are not insurmountable. They cannot in the last analysis prevent gradual economic unification in Europe. The European Economic Community has reached the point of no return.

The Six are not progressing at the same pace toward unification. Several years ago, a Swiss journalist wrote a book entitled FRANKREICHS UNREN GEHEN ANDERS, which I might translate: FRANCE HAS ITS OWN TIME ZONE. In a large country like yours, there are different time zones. On the East coast, people are at work while on the West coast the sun has not yet risen. But this difference in time does not prevent all people from working toward the same objectives.

We must believe in the moderating influence of time and the strength of "an idea whose time has come". Europe will be unified even if the process takes

longer than we had wished. United Europe - aware of its strengths and its needs - will certainly favor an Atlantic partnership. But the will to reach this goal must exist on both sides of the ocean.

We must not be discouraged by the problems before us. We must not be discouraged by passing political or psychological developments. Let me quote President Kennedy speaking in Frankfurt on June 25, 1963:

"There will be difficulties and delays; there will be doubts and discouragement. There will be differences of approach and opinion. But we have the will and the means to serve three related goals -- the heritage of our countries, the unity of our continents and the interdependence of the Western Alliance."

We must always remember our ultimate objective. As President Kennedy said at Frankfurt:

"Our mission is to create a new social order, founded on liberty and justice, in which men are the masters of their fate, in which states are the servants of their citizens, and in which all men and women can share a better life for themselves and their children".

To reach these objectives, to secure peace and freedom for our countries, partnership between the United States and Europe is a necessity. Let us seek to achieve it.