

Atlantic Partnership and European Unity

Address by Dr. S.L. Mansholt
vice-president of the Commission
of the European Economic Community

before the extraordinary Congress
of the European Movement
on the 18th Sept, 1963 in the Hague.

Embargo, wednesday, 18th Sept. 90 h.

"Atlantic Partnership and European Unity"

This is the subject which the European Movement in the Netherlands has put up for discussion - and not for the first time. In his forceful and emotional manner Mr. Acheson has made his contribution with an explanation of the American interest in European unity. If I were now to limit myself to dealing with Europe's own interest in this unity, insufficient justice would be done to the idea of Atlantic partnership. Moreover, I should be ignoring what has struck me in more than one of President Kennedy's important speeches, namely the appreciation - by an American - that some of the great problems of the world cannot be solved on just one side or the other of the Atlantic, that ocean which has now become a western lake.

There is a French proverb which says that people can have a successful debate only if they agree. Well, I should think that there are few people in this room who would not agree on the need for European unity and Atlantic partnership. The Western world cannot survive if the illusion persists in Europe or in the Atlantic countries that any one of them could solve even its own difficulties except in close co-operation with the others. There is therefore no difference of opinion here, or any need for discussion.

The bridge which is to link Europe with America must rest on two pillars, each of which merits our attention in this discussion for the very reason that only if they are strong will it be possible to cope with the tasks we have to face together. It is therefore permissible and even necessary to say a few words about each of these partners - separately, and in the light of their mutual relationship.

I shall do this in the knowledge that politics are not an exercise in philanthropy, and with the firm intention of contributing to Atlantic co-operation, our essential objective. I shall then try to sketch a few of the tasks which we shall have to tackle jointly.

I am rather tempted to emulate Mr. Acheson's excursion into history, but I will limit myself to a few marginal notes. The citizens of the United States have had to accept that the time is past when Washington's suggestion that the rest of the world should be left to stew in its own juice had real meaning. Twice within half a century the intervention of America was needed to settle a world war in favour of the West and its way of life. That half-century has changed the face of the world. A geo-political study on the subject of the Great Powers by the Swede Rudolf Keljen, of which many editions were printed between 1905 and 1914, depicts the dominant position in the world held by five European countries: Britain, France, Germany, Austria-Hungary and Italy. Besides these there were the Czar's empire, a "giant with feet of clay", and Turkey, the "sick man" on the Bosphorus. In Asia, Japan was arising. All that the author had to say about the United States of America was that in fifty years' time it might exert some influence in Central America; no more than that ...

Fifty years later, we see a completely changed picture. Through self-destruction Europe, once the dominant force in the world, has suffered an unparalleled loss of importance. At the same time non-European powers and continents have acquired unparalleled power; former Colonial territories have gained independence and are irrevocably on the way towards becoming fully-fledged political and economic members in the comity of Nations.

If this Europe is not to become a pawn in the decisions of new power groups; if it wishes to solve its own problems according to its own lights and by its own strength - whilst remembering its responsibility towards the rest of the world - then it must move towards unity because only as a unit can it again play a part in the world. This idea of unity is an old one. Here, in The Hague, you will find in the library of the Peace Palace the study of Jakob ter Meulen in which he traces the efforts which have been made over a period of 600 years to achieve that unity. After the Second World War this idea, which may once have been qualified as romantic, became a bitter and urgent need for reasons of self-preservation.

It is, however, noteworthy that none the less the first concrete post-war proposal for European unity rested upon an American initiative: the Marshall Plan. Its idea was to plan for European reconstruction on the following basic principles:

- a) that each participating country should undertake the efforts needed for its own reconstruction;
- b) that the participating countries should help one another;
- c) that the United States was ready to help where the strength of torn, ravaged and impoverished Europe was inadequate.

I only know too well from my time as a Minister how invaluable this American help was for us. You will therefore not misunderstand me if notwithstanding the fullest appreciation of the great significance of this pump-primer for European reconstruction, I say that the Marshall Plan fell short of its original purpose at two points. I make haste to add that in neither respect is the reason for failure American. For our purpose today we can leave out of account the one point, though it is of great significance in the East-West conflict. I refer to the refusal of Moscow either to co-operate in this reconstruction plan or even to allow its satellites to do so.

The second point, as a result of which the Marshall Plan was thoroughly watered down, and the effects of which are making themselves felt just now, is of greater importance in our context. The participating countries of Europe would have nothing to do with one single European reconstruction plan. The most they were prepared to do was to co-ordinate their national plans because, so ran the argument, they could not be expected to sit down at the same table with their weaker brethren. Of course, the Government of each country was convinced that all the others were the weaker brethren. There are many who today do not like to be reminded of the American aid which backed the various national reconstruction efforts. It is wrongly suggested that success was due to national achievements alone, and from this the conclusion is drawn that the old fashioned traditional methods are not so bad after all.

This misunderstanding of the present world situation contrasts with the comprehension of those who will not seek refuge in a past that is dead and buried. Wherever these matters are discussed we find the same division: on the one side there are those who - maybe somewhat hesitantly - stand up for pure nationalism and in so doing point to the existing international organizations which require that there shall be a certain degree of co-ordination in the political, military and economic spheres. These façades are used as a fig-leaf to cover the shame of naked nationalism; a fig-leaf which is liable to be cast aside at any time (and has in fact already been abandoned in certain respects).

In the other camp we find those who realize that only closer and stronger links can help us find the way out of a situation which shows that the traditional and loose forms of co-operation are insufficient to provide lasting solutions for the problems of today, while they are certainly capable of producing a relapse into the nationalist era which already seemed to have perished in a sea of blood and tears.

I will not take up your time with a review of the successful and unsuccessful steps on the way to an integrated Europe resting upon democratic institutions: the Council of Europe, the Coal and Steel Community, the torpedoed Defence and Political Community, Euratom and the EEC - all these are well known to you and conjure up memories, aims, struggles and the feelings of happiness and sorrow experienced along the stony path that leads to Europe. For the benefit of our American friends in particular - but not for them alone - I wish to point out that it is a mistake to believe that integration is an accomplished fact, or was an accomplished fact before the temporary failure of the extension of the Community of the Six. Integration is a process which will take many more years, but in the economic sphere it has already made an indelible impression on our national economies.

It is no more than natural that so incisive a process as that of the integration of a divided continent should not be a matter of course or without jolts; naturally there are hesitations and obstacles, naturally opposing factors come to the fore in the form of divergent views and movements or conflicting economic or political developments. At certain times all these cause a certain stagnation and therefore give rise to justified disappointment. All I want to say is that this sort of thing is not in itself abnormal and should not cause alarm or despondency. On the other hand we must not underestimate the danger which lies in once again quarreling about the road we should take, or of the stagnation to which such quarrels can lead.

It must be a spur to all of us who stand for integration to press our cause forward with even greater force and greater enthusiasm, strengthened and forewarned by the setback we have suffered.

When we look at the figures of external and internal growth in the countries of our Community, we cannot fail to realize that part of this growth - which is greater than the average of growth throughout the world - is due to the beneficial effects of integration. One of my friends has a habit of saying that he will take his hat off to facts. You may rest assured that even those who consider economic facts to be of secondary importance are really intelligent enough not to wish to be deprived of these successes and so will, in the long run, kowtow to them.

.../...

Both internally and externally it is becoming increasingly clear that though the EEC has an economic objective it is a political fact. Many of the economic decisions that must be taken are fraught with political content. It is for political reasons that we have seen the Council of Ministers busily working for nine months on an action programme for 1963 which must now be translated into practice during the remaining three months of the year. The problems it deals with are economic and in particular agricultural, but they are full to bursting point with political matter.

Here I should like to illustrate the general remarks I have just made on progress in integration. It is a fact that so far no single international set-up has had the courage to tackle agricultural policy from an international angle. And yet the solution of this problem, which is of worldwide importance, depends on that approach. The authors of the Treaty of Rome left it to the Commission to produce proposals which will do justice to our farming population and, take into account the fact that agriculture must be an integral part of the economy as a whole - the latter being considered as a part of the world economy with which it is closely linked.

Here I cannot help breaking a lance with Mr. Acheson, my illustrious partner in this discussion. He does not give experts a very good mark. I was just waiting for him to say that the Ten Commandments were so precisely and clearly worded because no expert had had a hand in them. But in the case of agriculture Mr. Acheson feels that he must consult experts. I can say - and I do know something about this - that there is no shortage of plans, reports and proposals from the pens of the most highly qualified professors. The drawers of many desks are crammed full of them. What is missing is the readiness to take political decisions. Here there is a lack of willpower and leadership - and not in this field alone. Complaints about experts will not do. Their job is to seek solutions in the direction laid down by those who take the decisions - in so far as anyone does.

Maybe you have recently come to the same conclusions as I have; they were practically inescapable. The christian-democratic, liberal and socialist internationals were meeting almost simultaneously

.../...

in France, Switzerland and in the Netherlands. If we compare the resolutions on European integration which came out of those meetings, we will find a remarkable degree of agreement on:

- (a) the claim for a strengthening of the existing Communities;
- (b) the extension of these Communities;
- (c) the affirmation of the need for political integration;
- (d) the desirability of Atlantic co-operation and acceptance of joint responsibility towards the rest of the world.

It may be argued that some governments pay little heed to the views of those who adopted these resolutions. But there are other governments who attach importance to the links between them and these groups, on which they rely in their parliaments. Where, then, are the proposals of these governments - proposals in line with the programmes of the political parties that support them? In foreign affairs the "Njet" of the Soviet Union has often bedevilled our work. To be told "Njet" by one's own friends is no less exasperating. It may well be that there is temporarily no chance for proposals of this kind in an organization where the right of veto obtains. If, however, they are put clearly and with emphasis in opposition to an entirely different course, the period of stagnation can be shortened. For here again the interaction between economics and politics comes into play: economic desiderata will influence political needs and vice versa.

We are somewhat short of time and therefore need to shorten the period of stagnation. It may be said that behind the great and laborious efforts of January 1962 there was the pressure of transition to the Treaty's second stage and that at the end of this year, when the decisions on the 1963 Action Programme are taken, there will be no such pressure. Such reasoning leaves out of account that in the coming year we shall have to face the world on two occasions: once in the Kennedy round on the basis of the Trade Expansion Act, and again in the World Trade Conference organized by the United Nations.

.../...

Those who like myself wish to go ahead for economic and political reasons with the Community's internal evolution and to pluck positive results from the Kennedy round, will whole-heartedly advocate the need for a policy of our own, which is essential if the Kennedy round is not to be a failure.

Here we see a clear interaction between external and internal developments. Agreement must be reached on both. The most obvious is the call for a strong sense of solidarity and of unity of purpose in all fields on the part of the Europeans before they can successfully plunge together into partnership with someone else. This needs hardly any further proof, but positive action has become particularly urgent because our attitude towards the external factors can no longer remain undecided.

On the other hand - and fortunately this too is becoming increasingly clear - no further internal progress is possible unless there is agreement on how far and on what lines our relations with non-member countries are to be settled. Several of our partners have demanded with increasing urgency that European integration must be outward looking. After the *débat* in the negotiations with the United Kingdom there still remains one means by which we can convincingly show that we are outward looking: by establishing a special link - a partnership - with the United States. The demand for this is so pressing that our further internal evolution has been made dependent on it.

And so this interdependence forces us to seek a balance; it has become our means of applying that political pressure which we need, and which we must employ, if we are to come out of the present impasse. It is essential that, together with the decisions on our common agricultural policy, conditions for the Kennedy round shall be worked out which are so clear and precise that as far as humanly possible a successful conclusion is assured. Obviously, matters of procedure are not without importance in this context. In the negotiations with Great Britain we were made to feel the paralysing effects of the fact

that there were not just two partners in the talks, but that the British were faced with a conference. This shows up the difficulties of the Treaty as it stands, and those inherent in the present situation.

This brings me to a point which is sure to give trouble as time goes on. The term partnership covers a number of ideal solutions for co-operation in several fields which have not yet been adequately worked out. Let me just mention a few, such as commercial policy, economic policy, monetary policy, development aid, and the military and political issues.

In this way a contribution must be made to the solution of problems affecting both sides, but above all we must jointly bear responsibility throughout the world.

This requires a process of maturing and preparation on both sides which will need a good deal of time.

The Trade Expansion Act was a first and essential step in that direction, by making tariff negotiations possible. However, this first concrete point of contact brings with it the danger that these negotiations may assume a life of their own, both because of their subject matter and because of the tools and organs needed; there is a danger that the negotiators may content themselves with making some reciprocal concessions between the EEC and the United States, while the original motive for all this is forgotten and world-wide problems which must from the outset be included in the deliberations and propositions are lost from sight.

This brings me to the point where I should like to express the hope that the negotiations under the Trade Expansion Act will not be regarded as something in which the Community and the USA will just make a number of mutual concessions. When I point to the danger that the original design of the Trade Expansion Act may be lost, I intend this as an urgent appeal not only to the Governments of the Member States of our Community, but also to the United States Administration.

.../...

Let me in this context recall two earlier remarks. I consider GATT in its present form as being in more than one respect one of those international agreements which are no longer able to meet the demands which our age puts to the Atlantic Partners. I shall have a word to say about this later.

Secondly, the United States also must not lose sight of the original design. Let me give a few indications. After all, wholehearted acceptance of the idea of Atlantic partnership does not mean that certain differences of view on practical issues cannot be frankly aired. These difficulties, and the ways of overcoming them, may not be the same for all of us. Mr. Acheson has touched upon the military issues and I in turn do not hesitate to speak up clearly in favour of NATO and to say that I have the greatest confidence in the military solidarity of the US with Europe. This confidence is moreover confirmed by the knowledge that such solidarity is not only a matter of sentiment, not only a gesture of sympathy, but a question of self-interest and self-preservation for the United States as much as for us. Politically, I consider the distinction between conventional arms and nuclear defensive weapons as less important than perhaps many of my friends. When I weigh the prestige gained by Europe through the possession of atomic weapons against the danger to peace from an extension of the atomic club, I find that the risk weighs more heavily than any dearly-paid-for gain. Granted all the difficulties involved in creating a system of complete equality in overall strategy and in the command structure of NATO, of which I am aware, I feel that to seek a solution in that direction rather than in any other is to show the greater sense of responsibility. Partnership based on distrust is a contradiction in itself. Moreover, I think that our common interest in many fields, some of which are so much in the foreground just now, can be so intertwined and interwoven that my confidence in Atlantic solidarity rests on more than mere blind trust.

But let me return to a question where trust in partnership cannot muffle the sound of criticism. I repeat my fear that the Americans too may forget the original design of the Trade Expansion Act. There are symptoms of this. For my part I count the so-called chicken war amongst. In defence of the press on both sides of the Atlantic I am ready to accept that we are in the middle of the silly season. Normally, it is the Loch Ness Monster that fills the headlines at this season; this year it has been a plucked chicken.

For some days (or rather nights) during the negotiations for the Treaty of Rome it looked as if European integration was to founder on the question of whether tinned peas were an industrial or an agricultural product. Is Atlantic partnership now to be wrecked because of the quarrel about chickens?

The exports of one American product have fallen considerably. There are other agricultural products - for instance coarse grains, which are quantitatively much more important - where exactly the opposite has occurred. This comparison is not in any way intended to mean that I see no sense in seeking a solution for the chickens. But we can expect this conflict to be reduced to its proper proportions. As time goes on there will arise, on the American side as on ours, other cases needing inquiry, adjustment or compensation. To blow such cases up beyond all reasonable proportions, as has been done in this instance, is to risk creating an atmosphere for the coming negotiations in which the deeper meaning and the wider mission of the Kennedy round will be changed - to the disadvantage of both sides - until they become bad-tempered tariff negotiations between two partners who hardly care a fig for each other, let alone for anyone else. This would be most unsatisfactory, and quite contrary to the original design.

It was one of the main aspects of that design to show that the partners were conscious of their common responsibility towards the developing countries. It would be a poor policy of self-preservation to base oneself on the assumption that it is sufficient to let the strong grow stronger and the rich richer. Together we must be ready to give something if we are not ready to lose all.

The developing countries are knocking at our door. They have so far been living largely on their exports of raw materials, especially agricultural raw materials. If, with their rapidly growing population, they wish to increase their gross national product by as much as 3% annually they will have by 1980 to increase their exports from 19 to rather more than 50 thousand million dollars. According to the United Nations figures their exports of raw materials during this period can only increase from 12 to about 20 thousand million dollars. A considerable rise in their exports of semi-finished and finished goods is the only way out. Even granting that trade in these products will increase amongst the developing countries themselves (which again means some loss of traditional outlets for us) it will not bring anything like a solution of the problem. We shall have to create openings in our own markets for products from these countries.

This burning issue is overshadowed by an often hypocritical reference to our philanthropic development aid. The fact that in the past years the terms of trade have turned against the developing countries is conveniently forgotten. Income from raw materials is falling, whilst prices for manufactured goods are rising. The resulting deficit for the developing countries is in many cases many times larger than the sums made available to them in the form of "development aid".

From the very beginning and in every meeting with our American friends we shall have to pay great attention to this problem; we must have the courage to draw the practical conclusions right now. I must say that I feel sceptical when I hear lofty statements about directing all our policy, and in the first place our commercial policy, at increased prosperity for the impoverished and economically backward nations. Do we not immediately find that there is not the least readiness to do away with excise duties on products coming from those countries? Do we not immediately take refuge in protectionism with regard to some tariff items because we fear competition from low-wage countries? We are willing to help, yes, but not at the expense of our own vested interests, and that is why we do not provide one single instrument which will lead to a lasting improvement in the condition of these countries and provide them with an opportunity to unfold their own strength.

If there is to be a real solution, other means are needed and international practices and agreements - the GATT foremost among them - must be reviewed.

If the backward areas are to be enabled to develop their own economies, to build up their own industries, then what is needed apart from capital is preference for the sale of their products. In our dealings with these countries we shall have to abandon the most-favoured-nation clause which, despite its many good characteristics, can have a paralysing effect.

This is the problem before us to day. It will decisively influence our future. Only if we lack all imagination can we fail to see that escapism in this field is literally a threat to our own existence.

When seen in this light, resistance to further European integration looks as narrow-minded as it indeed is. And the squabbles between the Atlantic partners are reduced to the proportions they merit.

Is our only response to this challenge to be that we will all continue to sit on the fence in the hope that someone else will do the job? Will our Governments (a noun derived from the verb "to govern") display courage, imagination and will-power in working out a common line and acting as one unit in tackling this problem? Will the partners in this partnership have the courage to place their common responsibility above carefully calculated self-interest, which in fact is anything but well-understood self-interest?

My only conclusion can be that: -

We need a more closely knit Europe, with a larger membership;
We need a kind of Atlantic co-operation which does not cackle about chickens but acts sensibly in order to prevent others from acting foolishly;

We must help the less-favoured regions of the world, and support the development of their people so that they and we and all our children may live in peace and human dignity upon this earth.