

Claus Stuffmann  
Adviser to Altiero Spinelli,  
Member of the Commission of the  
European Communities

*Various places in USA  
April 1975*

The United States and the Present State  
of the European Community

In a world where radical change is the order of the day, more and more importance is being attached by observers on both sides of the Atlantic to relations between the United States and the Community.

They are separated by a vast ocean; they have different neighbours and different internal structures. It is understandable that they do not always see eye to eye, that they react differently. But they have so much in common, they share so many deep convictions, their interests so often coincide, that it is inevitable that they should seek to establish a true Atlantic partnership.

Although the Community has had many setbacks and must expect to encounter many more before it reaches its goal, it is gradually establishing itself as a force to be reckoned with. Strange though it may seem, this is how the Community is seen abroad, not how it is seen by observers at home, who are perhaps a little impatient.

The Community is no longer merely the world's largest trading power statistically speaking, accounting as it does for 40% of world trade, one quarter of the merchant vessels of the free world and one quarter of world iron and steel production. It has also begun to make its political mark.

It was, for instance, the first industrial power to introduce a generous and non-discriminatory system of generalized preferences for developing countries. It recently signed the Lomé Convention which affects a more limited number of countries - 46 African, Caribbean and Pacific states to be exact - but heralds a remarkably new approach.

Not only does it grant duty-free access to 99.2% of Community imports from these countries without requiring reciprocal arrangements; it also guarantees the purchase of 1.4 million tons of sugar at prices which are virtually indexed and provides a unique arrangement for stabilizing the export earnings of signatories whose economies are heavily dependent on the export of one or more raw materials.

Considerable financial resources have been earmarked for a Development Fund and new instruments of industrial cooperation have been introduced. It is significant that this could be accomplished at a time when the Community itself is going through a critical economic phase.

Again, it was the Community which took the initiative in proposing joint action by industrial and oil producing countries to help the developing countries most affected by the energy crisis. This will take the form of emergency aid totalling \$ 3.000 million.

As with the Kennedy Round negotiations, the Community intends to do all it can to ensure that the multilateral GATT negotiations which have just begun in Geneva are a success. The Community regards these negotiations as an essential antidote to the virtually worldwide tendency to solve present problems by returning to protectionist measures which can only aggravate matters.

The Community has been successful in assuming its international responsibilities despite the fact that progress towards internal unity has been hesitant and slow. Uncertainty is, of course, dogging the entire Community pending a decision on the United Kingdom's continued membership. But apart from this the scale of the economic problems which have had to

be tackled have created considerable disparities between the Member States, reflected in the uneven rates of inflation which range from 6% in Germany to more than 20% in Italy and the United Kingdom. There is a real danger that these disparities will not only lead to untold complications for the agricultural policy - still a basic element of integration - but also strike at an essential element of the common market: free movement of goods.

The Community has advanced from the customs-union-plus-common agricultural-policy stage to a point where real common policies must be defined. Since these will obviously impinge on the life of every citizen, a major issue now is whether the Community should have a sounder democratic basis than that provided by the interplay of its present institutions. In short, the Community is faced with a choice : it can choose to defend what has been achieved so far and prepare itself to cope with the attendant dangers of losing ground; or it can opt for political union. The creation of a European Council in which Heads of Government meet for regular discussions falls far short of this ideal. True political union calls for nothing less than a "European Government" controlled by a Parliament elected by direct universal suffrage.

The fact that Heads of Government have at long last decided to implement the Treaty in this respect and arrange for European elections before 1980 (probably as early as 1978) augurs well for the future.

The United States should have a real interest in encouraging the rapid development of a true European union.

In the present international climate of inequality, hostility and uncertainty the United States needs a partner which, though it may hold different views on issues which are of secondary importance in the las analysis,

shares the same freedom, the same way of life and, last but not least, the same economic interests. It would be short-sighted of the United States to attempt to impose its views on Europe by treating with individual members rather than the Community as a whole. Indeed recourse to bilateralism could be dangerous: it could flatter certain European leaders and reinforce nationalist ideas and vain illusions of autonomy. Any short-lived or minor advantages gained in this way would have to be weighed against the damage done to the cause of European unity. Short cuts are not always the quickest and safest of routes.

It is here that the leadership of the United States, within the Atlantic partnership, can show its far-sightedness and its long-term sense of responsibility as it did in the past when it made Marshall Aid conditional on cooperation between Europeans. It would then be for Europe to develop into a partner worthy of this confidence.