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SPEECH BY THE RT. HON. SIR CHRISTOPHER SOAMES,
VICE-PRESIDENT OF THE COMMISSION OF THE EUROPEAN COMMUNITIES,
AT A MEETING ARRANGED BY THE EUROPEAN MOVEMENT IN NORWAY AT
THE NOBEL INSTITUTE, OSLO, AT 7pm on 3 NOVEMBER 1975.

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(DELIVERED ON BEHALF OF THE RT. HON. SIR CHRISTOPHER SOAMES
BY MR EDMUND WELLENSTEIN, DIRECTOR-GENERAL FOR EXTERNAL RELATIONS,
COMMISSION OF THE EUROPEAN COMMUNITIES.)

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Mr Chairman,

May I begin by thanking you and your organisation for inviting me to visit Norway, and for the kind words you have said about me by way of introduction.

My work in Brussels is mainly concerned, as you remarked, Mr Chairman, with the external relations of the Community. This is the theme that I should like to take as my subject this evening.

It is a theme which is naturally of interest to you here in Norway, situated as you are on our northern doorstep and enjoying a free trade relationship with the Community. And it is a subject in which it is understandable that the European Movement should take a close interest. For the Community has been making significant, if not always widely noticed, advances in the development of its external relations over the past three years.

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There has in fact been a contrast between this progress on the external front and the slow pace we have experienced recently in the European Community's internal development - in spite of some successes we have registered, for instance in the establishment of a Community regional policy. And the same contrast exists between the public image of the Community among our own peoples and the view of the Community from the outside.

/Within the

Within the Community there is at present a certain poverty of European expectations which is in itself in part an extension of a similar phenomenon throughout the western world.

The progress we have been able to make externally can be partly attributed to the fact that our peoples are aspiring to find a new role in world affairs which draws on the best of our previous experience but which puts behind us the errors which culminated in two world wars. This is pointing us towards a larger cooperation and a pooling of our efforts. But this is not the whole story. It is in the nature of international affairs that a new entity of the size and economic weight of the Community should be under constant pressure to develop a coherent external policy. Countries all over the world want to define their own relations with it. They look to it, sometimes with hope, sometimes with trepidation to make clear its policies and purposes. Indeed in the world outside there is no doubt about the intense interest and the hopes which the development of the Community inspires. The most striking recent example of this trend was the decision of the People's Republic of China to establish official relations with the Community.

For there is no question that the European Community has become a considerable factor in world affairs; and in this respect its enlargement three years ago marked much more than a merely quantitative change, although the quantitative analysis is impressive enough. The Community of the Nine has a gross national product that does not fall far short of that of the United States. Its population is greater, and its production of many key manufactures is second to none. Our member states together transact 40 per cent of the free world's trade. They

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hold some 30 per cent of the world's currency reserves. They are the source of over 40 per cent of official development assistance to the Third World, and they provide a large proportion of the private investment and new technology by which the developing countries set such store. And to many nations, both developing and developed, the Community is their most important export market for raw materials, for food and for industrial goods.

So the world has been looking to us to make clear our intentions. And for our part we have been mindful of the great responsibility which the Community's economic power carries with it: responsibility to be understanding and imaginative in our trading policies, responsibility to those less well off than ourselves, responsibility indeed in the conduct of some of what may seem at first sight simply to be our internal policies - on agriculture, on textiles and such like - but which inevitably have a wider impact upon other economies around the world.

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These are the challenges. The Community's response follows two distinct but inter-related lines of development. On one side there is the common external economic policy operated by the common institutions of the Community. And on the other there is the system of foreign policy coordination or "political cooperation" operated by the governments of the member states acting in concert.

/Take first

Take first the common external economic policy. Its twin objectives are clearly set out in the preamble of the Treaty of Rome. The Community, it says,

"desires to contribute, by means of a common commercial policy, to the progressive abolition of restrictions on international trade".

And it then goes on to say that the Community

"intends to confirm the solidarity which binds Europe and the overseas countries, and desires to ensure the development of their prosperity, in accordance with the principles of the Charter of the United Nations".

In the field of international trade policy our philosophy is simple, and it is founded upon experience. The road we are following is that which goes by way of developing, extending and adapting the multilateral open trade and payments system based on internationally agreed disciplines which has served the whole world so well since the war - and the lack of which served it so ill in the pre-war period. Our determination to maintain and extend the achievements of the European Free Trade Association when the Community was enlarged is one instance of our commitment to an open world economy. Our active role first in the Kennedy Round and now in the Multilateral Trade Negotiations in Geneva is another.

These negotiations resulted from a joint initiative by the United States and the Community. They are of capital importance to us all. And although the present global economic climate is not making for rapid decisions in the talks at Geneva, we are determined to see them through to a successful issue.

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But an open world economy is not just one in which the trade barriers between the industrialised countries are reduced: it is an economy in which the whole sum of the world's resources is actively and progressively engaged. Everywhere in the developing world there are unemployed and underemployed resources - human as well as physical - waiting to make their contribution to the progress of mankind. It would be wasteful, both spiritually and materially, not to develop these resources and at the same time we must recognise the right of the developing countries themselves to an equal voice in this process.

Up till now the Community's policy towards the developing countries has been based on two main instruments - the Lomé Convention and the Generalised Scheme of Preferences. The fact that the Lomé Agreement is not confined merely to Africa and that it extends to 46 rather than 18 states means that it is very much more extensive in its geographical coverage than the Yaoundé agreements which preceded it. But Lomé is more than Yaoundé writ large. It is an agreement of a quite different nature. In fact it sets out to do no less than

"to establish a new model for relations between developed and developing states, compatible with the aspirations of the international community to a more just and more balanced economic order".

Its provisions concerning trade and financial and industrial cooperation are expressions of that ambition. And its arrangements for stabilising the export receipts for a dozen basic commodities - the STABEX Scheme - are acknowledged as a major innovation in the relations between the industrial world and the developing countries.

/STABEX is

STABEX is one pioneering venture launched by the Community. Our Generalised Scheme of Preferences is another. When we introduced it in 1971 we were the first major trading community to implement such a scheme. Each year since then we have extended its coverage, and this year it is estimated as covering potentially more than 20 billion Norwegian krone of our imports. Annual reviews and improvements are built into our scheme, important trade promotion efforts are associated with it, and earlier this year we decided to continue it into the 1980's beyond the ten year period which was at first foreseen by Unctad. In all this we believe we have given a lead and have created an instrument which will prove to be of great and increasing value to the developing world as its industrialisation proceeds over the years ahead.

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The Common Commercial Policy, multilateral trade negotiations, bilateral commercial cooperation, the Lomé agreement, STABEX, the Generalised Preference Scheme: all these are the direct responsibility of the Community institutions. In a phrase, this is "common action through common institutions". By contrast, the phrase which sums up the other element in our external relations - political cooperation between the member states - is "joint action through the coordination of national policies".

Less tersely defined, political cooperation is the Community's member governments coordinating their foreign policies on those international questions which fall outside the area of the Community's direct responsibility.

/The system

The system of political cooperation only began in 1970; so it is relatively new. So far the record has been somewhat patchy, but we have registered substantial progress in three important directions.

We have set up a complex network of working relations at every level, and we are now beginning to see something of a convergence in the attitudes and analyses of the foreign ministries of the Community. Their operational procedures are being coordinated, and the machinery exists for arriving at a common view. Behind this, by building up the habits of cooperation we are already seeing the emergence of a common attitude. I don't think we should underestimate the long-term practical importance of these psychological changes in organisations and attitudes which have traditionally been animated more by the spirit of national rivalry than by the spirit of international partnership.

At the same time the Community has begun to learn something of the difficult arts of joint crisis management. To give only three examples: one of our first ventures in this field was the joint statement on the Middle East which we agreed at Copenhagen in November 1973. Over the past year we have been speaking with one voice over Cyprus. And now we have developed a response to the crisis in Portugal. Coordination of response has at least now become the rule rather than the exception.

The Community's system of political cooperation has also been making progress in a third direction. We are now developing the machinery we need to enable the Community's member states to take a single position or to speak with a single voice in international discussions of a political character - for example at the United Nations.

/But of course

But of course it would be nonsense to suggest that the areas which the system of political cooperation covers can be sharply distinguished from those for which the Community institutions themselves are directly responsible. One of the most interesting of the recent developments in the Community's external relations has been the progressive interweaving of these two systems and the abandonment of the somewhat artificial separation which was imposed in the early years of political cooperation.

The fact is that in many areas of external relations the common institutions and the member states are simply dealing with different but inseparable aspects of the same problems. In these hybrid situations it is in practice impossible to operate the two systems as if they were hermetically sealed off one from the other. We have had to learn how to work them together in a single harness, and over the past two years we have had a good deal of worthwhile experience of this. In some instances - our position in the Law of the Sea Conference is a case in point - we have not yet had the success we would like. But on many important questions we have done better than might have been expected - especially in the long and complex negotiations which preceded the Helsinki summit Conference on Security and Cooperation, and in the conduct of the Euro-Arab dialogue.

The effective indivisibility of the two sides of our external relations was recognised in the decision last year to hold regular thrice-yearly meetings of the Community's heads of government in the European Council at which all topics regardless of their institutional nature can come up for

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discussion. There is of course no question of the Community's common commercial and development policies now passing out of the control of Community institutions. But it is becoming increasingly clear that the establishment of the European Council of heads of government and the consequent changes which are being reflected downwards to the Council of Ministers are beginning to provide a flexible framework within which purely foreign policy questions and questions of trade and development policy can be discussed together - as it is right that they should be.

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So much for the record. But in this life nothing stands still. On every side new and more exacting questions are being pressed upon us, and the philosophy and practice of Europe's external relations are being shaped on the anvil of circumstance.

Perhaps the most important of all the challenges that faces the Community is that of creating and tending a relationship of confidence and cooperation with the United States and Japan and the other developed industrial open-market societies. Cooperation in maintaining and improving the multilateral framework of an open world economy is only a part - although a crucial part - of the story. The fact is that the mutual interpenetration and interdependence of our economies has now reached such a point that we must also foster the growth of direct and regular bilateral contacts with each other. This is the only way in which we can hope to resolve the inevitable frictions which arise between us: only then can we be the masters of events and not their slaves. In all this the Commission is seeking to make its contribution through the periodic informal

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consultations it has developed with the United States, Japan, Canada, Australia and New Zealand.

Good relations between the industrialised countries were the foundation of the prosperity of the post-war world, and they are still of the highest importance. But the future health and prospects of the world economy, and the Community's economy along with it, depend every bit as much upon good relations between the industrialised countries and the developing nations of the Third World. So the Community will make its contribution at the United Nations, in the Paris dialogue and in next year's UNCTAD Conference, to build a new consensus in world economic affairs. We envisage a new consensus which meets the justified claims of the developing countries to a voice in the management and growth of the world economy and which can be supported by the industrialised countries.

As the Community's economic integration develops it presents us with another challenge in our foreign relations. We need to create instruments capable of organising the economic relations of the Community as a whole - including the full range of its industrial and technological potential - and fitting them to our own future requirements and to those of our partners abroad. It is this that has led us to question the old orthodoxy that external commercial policy belonged with the Community but economic cooperation was the exclusive preserve of the member states. We are trying to find an adequate response to the need to create an entirely new relationship with countries as diverse as Canada and Iran, and it is now quite clear that over and above the bilateral

economic cooperation arrangements which exist between our member states and these countries - arrangements which must certainly continue - we must also develop a Community dimension to that cooperation.

Then within the bounds of Europe itself we face two formidable challenges. On our southern flank a number of countries are looking to us for assistance, for an ever closer degree of cooperation and, in one case, for full partnership in the Community. Each of these countries has made it clear that it considers its relationship with the Community to be a key to its economic future. Indeed in some of them it is also considered to be an important element in their future political orientation and stability - a way of consolidating the achievement of their aspirations towards that system of pluralist democracy which is the basis of our own societies. It will not always be easy to find the right response to these manifold claims upon our economic and political support. But we know that we owe it to our fellow Europeans - who are placing such hope and confidence in us - to do everything we can to find that response.

In our relations with our Eastern neighbours the problem is different but the challenge is none the less real. By its signature of the Helsinki Summit declaration the Community as such is firmly committed to working for increased economic cooperation between the Eastern and the Western halves of our continent. We are ready to live up to that commitment, and we have already made known our willingness to negotiate trade agreements with the countries of Eastern Europe on a new Community-wide basis. Already, before Helsinki, in February

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of this year we had exploratory conversations with COMECON at their invitation in Moscow. We in the Commission stand ready at any moment to continue these exploratory contacts, contacts to whose continuation we invited our partners at the time of the first talks.

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Relations within the industrialised world, relations between the rich North and the poor South, relations with our neighbours in the Mediterranean and Eastern Europe: such is the crowded agenda which is moulding the Community's external policy. What lesson can we draw from our experience so far?

There is, I believe, one lesson that runs through the whole complex of the Community's external relations - whether we are thinking of the experience of the Community's institutions operating in the area of their direct responsibility, or whether we are thinking of our experience in the looser framework of political cooperation. It is that in the Community our member states have found a more effective way of carrying out their international responsibilities and of furthering their interests than would ever have been available to them on their own in the modern world.

None of our member states could hope to speak, as the Community is now speaking, on a footing of equality in its commercial and economic relations with the United States. None of them by themselves could have made the contribution through trade and aid assistance that Europe is now making to the development of the Third World. And none of them on their own could aspire to be regarded, as the Community now is, as a

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valid option among the three or four main economic forces in the world.

No one of our member states can achieve this by themselves. But because of the nature of the Community each is able to make its own distinctive contribution to the development of its policies, and each shares the benefits which accrue to the whole.

As they look about themselves at the confused and ever more rapidly changing kaleidoscope of world events, there is no doubt in my mind that the peoples of Europe will recognise the growing presence and stature of their Community. Then let their gaze turn inward for a moment, so that they may impart to the inner development of the Community the same measure of hope and confidence which is placed in it by our friends and allies in the world around us.