Embargo : 20.00 hours on Monday 8 December 1975

THE RT HON GEORGE THOMSON'S ADDRESS TO
THE ROYAL INSTITUTE OF INTERNATIONAL RELATIONS
Brussels, 8th December 1975

EUROPE AFTER THE BRITISH REFERENDUM

When I first accepted the invitation of your distinguished Institute to deliver this Lecture on Europe after the British Referendum, the choice of a title seemed relatively straight-forward. How I wish I had delivered it as originally planned a month or two ago ! For one reason and another, the date of the lecture was post-poned, and today, in the immediate aftermath of the argument between Britain and her partners as last week's European Council, it does not seem nearly so simple a task.

As an old politician, I ought really to have known that timing is the essence of most things in politics. It was a lesson I learned the hard way as a young political journalist. When Sir Winston Churchill was the British Prime Minister in 1953 I once wrote a powerful open letter to him in the political journal of which I was editor, urging the holding of a Summit meeting. It was entitled, in the largest blackest type of which our limited printing facilities were capable :"WHY NOT TALK TO STALIN NOW ?" I wrote this on a Wednesday. We printed the journal on a Thursday, and it appeared on the bookstalls on a Friday morning along with the daily newspapers that conveyed to the Western world the breath-taking news that Stalin was dead. In the aftermath of the Rome Meeting of the European Council, and on the eve of tomorrow's meeting of the Council of Foreign Ministers, I feel a little in the same position this evening.

I perhaps therefore ought to begin my talk by speaking a little on the subject of Britain after the British Referendum, before I turn to the prospects for the European Community as a whole. In our troubled and unhappy world it is always a good thing to commence by counting one's blessings. I therefore remind myself - and yourselves - that 12 months ago the Community was at a particularly difficult stage in its consideration of the British request for a renegotiation of its terms of membership of the Community. I think I am right in saying that at that time none of us who were involved in these matters had any certainty about the outcome of the discussions between the British Government and her partners in the Community - and only a very confident gambler would have taken a bet on a positive result coming from the British people about membership of the Community in a Referendum on the subject. Yet six months ago, Britain voted overwhelmingly to remain a member of the European Community, and six months later we are already so

busy with a new set of problems, that we forget how much more profound and appalling the difficulties facing the Community would be if the result had gone the other way. That Referendum result has already faded so rapidly into a distant memory that it is in fact worth pausing for a moment to recollect how remarkable a result it was.

It was not in fact a vote on the terms of the British renegotiation. I hope this does not cause too much pain to those I see in this audience who worked so hard on one side or the other of the negotiating table. These labours were well worthwhile in that they persuaded the British Government, and even more overwhelmingly the British Parliament, to recommend the results to the British people. But the verdict of the British people was not about the details of the negotiation. It reflected their grasp of the more fundamental fact that Britain could not and cannot go it alone in the modern world and must work together with her friends

and neighbours in the Community. The Referendum result, with its decisive two-to-one majority, was in fact a massive instinctive display of common sense by the British people. I am not claiming in any way that it revealed the British people with a positive enthusiasm for the concept of a European Union, but it reflected the sound common sense attitude that our future lay in the Community, that having become part of it, it would be frivolous and irresponsible to pull out of it, and finally that whatever was wrong with the Community, it was far better to work to improve things from the inside.

All this is still of importance today, even though the Referendum itself is fast fading from the public memory. It is important because it shows that the underlying opinion of the great mass of ordinary British people was in fact a good deal more pro-Community than their political leaders in almost all the British political parties were ready to believe.

It was also extremely important in the British Referendum that, not only the United Kingdom as a whole, but that each of the four national groups which compose it, the English, the Welsh, the Scots and the Northern Irish, should all have produced majorities for remaining in the Community. Indeed, it was striking that the only administrative units within Scotland to vote against membership were the fringe islands, and in the case of the Shetland Islands they were not voting against being in the European Community, or even against being in the United Kingdom, but simply reflecting their traditional reservations about being in Scotland, to whom they were once given away in a forgetful moment in the Middle Ages by the Scandinavians as a wedding present accompanying a Norwegian Princess !

I mention these rather parochial aspects of our problems in the United Kingdom because they have two aspects of importance to the Community as a whole.

The fact that basic public opinion in Britain is more Community-committed than its politicians were ready to believe reflects, I believe, a situation throughout the Community as a whole which has been shown in recent public opinion polls conducted by the European Commission. Throughout the Community it is not the man in the street who is a brake on his political leaders in building a more democratic, more united Community. I believe European public opinion would be ready to respond to a bolder and more imaginative lead. But democratic leaders, imprisoned within national electoral frameworks, become preoccupied with managing divisions within national political parties, national trade union organisations, regional tensions within national territory. This is particularly true of Britain. Some of the British attitudes since the Referendum which attract Community criticism simply reflect the reality that the politicians in Britain are inevitably at present more preoccupied in conserving the United Kingdom than in constructing a United Europe. Commission colleagues

of mine who have had the task during the last year of discussing a Community Energy Policy with Britain have remarked on the fact that they tend to appear greatly concerned about the effect of any particular policy proposal on the result of the next Scottish bye election.

For those who feel a certain sense of disappointment that the positive result of the Referendum has not been followed by a markedly more positive British role within the Community, I can only say - with a certain amount of sympathy for their point of view - that one must bear in mind a fact of life in all political democracies. When a great political battle has been won, there is almost inevitably a lull immediately afterwards and an irresistable temptation to concentrate on other and apparently more pressing problems. I marked this happening when I arrived here in 1973 after

the long and successful battle to bring Britain into the Community. There was then a curious period of drift, during which the myth was allowed to get around that everything that was going wrong in Britain, especially the rise in food prices, was a consequence of Community membership. The same hiatus has tended to happen after the long and successful campaign to keep Britain in the Community and the hiatus will undoubtedly pass as the whole complex of problems of British membership have to be tackled by both ministers and officials.

There is one aspect of this that it might be worthwhile dwelling on for a moment. It is only now, after the Referendum, that it can really be psychologically accepted by both ministers and administrators - as well as the British people as a whole - that Britain is in the Community for good. Until now the argument has been about being in - or being out. It has been a black and white argument, with the opposite points of view polarised.

Facing the day-to-day arguments about running and developing the Community is a different ball-game altogether. It demands adjustments of attitude that have become normal for those in the Six over many years. Indeed, for both ministers and officials in Belgium, who have been part of Benelux since immediately after the War, the habits of living in the same Community have become quite instinctive. In the United Kingdom, however, both ministers and administrators have to learn the arts and skills of living and working within a Community dimension. For those brought up within the British administrative tradition it requires an imaginative adaptation. They are not basically insular. In fact the British are basically outward-looking. But they are accustomed to working within the rather loose inter-Governmental realtionships of organisations like the Commonwealth, or the United Nations, the O.E.C.D. or the I.M.F.

The problems of working within the more integrated Community framework are new to them. They are different from the conventional inter-governmental organisations. Decisions in these do not become binding in law on their citizens. There is not the same need to see the whole pattern of on-going issues as a whole, to have an overall strategy of making concessions over less important issues, to win concessions on more important matters. I am confident that, as more and more British ministers and officials play their part in the various committees of the Community, they will acquire the habits of thought that help to make the Community work, for all its frustrations and conflicts of national interest.

The British, however, are not alone in facing these problems that arise from membership of the European Community. They merely appear in a more acute form in Britain because of her island history and because of the arguments about Community membership. If I were asked to state in a sentence the fundamental issue that faces the development of the European Community, it is the

question as to whether it should see its future as an increasingly integrated body, or whether it should remain more in the character of an inter-governmental organisation, a permanent diplomatic conference, with attached to it some useful pieces of economic machiner. This is far from being simply a question of the attitude of the United Kingdom. The truth is that the British Referendum provided a convenient alibi for others in the Community with their own reservations about the way in which it ought to develop. One basic problem is that for the smaller Member States of the Community there is a clear cut national interest in being part of an integrated Community rather than a small, quiet individual voice in a Concert of Nations. For the larger Member States the national interest in integration is not always so immediately clear. There are recurrent temptations to go it alone on particular issues or to assert a right to engage in international discussions to which the less big members of the Community are not invited. It is in some ways the most difficult

challenge facing the Community to get it generally accepted that in Western Europe in the final decades of the twentieth century there are no great powers - and for every Member State, whatever its size or current economic strength, there is a distinct and decisive balance of advantage for their peoples in developing an integrated economic and political Community rather than in preserving the characteristics of classical inter-governmental diplomacy.

What are the prospects ? I came to the Community in the high noon of the Paris Summit of 1972 with its high hopes of Enlargement, its blue-print for Economic and Monetary Union in 1980, and its aspiring proposals for a major Community Regional Development Fund wtihin twelve months as part of a new Community with a human face. I have lived through what I think must be regarded as the nadir of our Community in the Copenhagen Summit Meeting in 1973, when the dramatic arrival at the conference table of

the oil producers drove home the fact that we had entered a completely new economic balance of power system between the industrialised economies and the oil and other raw material producers.

This was followed by the eighteen-month question mark over the future of British membership. Yet if one tries to see the Community balance sheet as a whole since Enlargement, it has on the credit side some remarkable achievements, even in the particularly unfavourable circumstances of the last year or two. Amongst these is the successful negotiation of the Lomé Convention, which not only brings the Community into partnership with 46 of the world's developing countries, including some of the poorest, but in addition sets a pioneering example to the rest of the world in constructive ways in which the relations between the rich and the poor nations can be organised.

It is indeed in this field that the Community has done particularly well speaking with such an effective single voice at the Special Assembly of the United Nations in the autumn. One of my colleagues reported to me the other day from the United Nations that the Community's performance at that Special Assembly had led to it being recognised in terms of U.N. diplomacy as both a political and economic entity of the first importance. It sometimes seems to me that it is easier for the Community to behave as a Community outside Europe than inside Europe !

Then the growth of the Social Community, though slower than one would have hoped, has proceeded steadily.

The establishment of the Regional Development Fund was an encouraging act of faith in a time of inflation and recession everywhere, for it involved the

taxpayers of one Member State helping the poor and unemployed of other Member States as an act of Community solidarity.

Again, the European Parliament has grown steadily in stature and has extended its budgetary competence. The commitment of the Community to a target date of 1978 for direct elections is now an unequivocal one, and that step is bound to have incalculable consequences for the democratic vitality of the Community.

The Common Agricultural Policy, despite some evident shortcomings, has served the people of the Community well. In a period of world-wide disturbance of agricultural markets, it has given Community housewives security of supply at prices very much more stable than if they had been exposed to world market forces.

For example, thanks to the common sugar market, Community housewives have saved 3.41 billion units of account on their housekeeping budgets compared to what they would have had to spend if they had had to get supplies on the American market. Having said that, I might add that it would be better for the Community if the European Council in Rome had been able to spend more time on a proper review of the reforms required in the C.A.P. if we are to avoid unnecessary surpluses.

But the creation of the European Council itself must be counted amongst the positive developments, though I do so with a proper sense of vigilance for the Community interest.

At the present stage of development only Heads of Government carry the necessary degree of

democratic responsibility within the Member States to give the Community a sense of direction on certain key issues where there is deadlock. I note, for example, that in commenting on the argument between Britain and her partners over representation at the North-South Conference, Le Monde's verdict was as follows :

> "European energy policy has made in a few hours more progress than it has since the birth of the Community".

There is an English hymn tune which says "God moves in a mysterious way, His wonders to perform". I often think the same is true of our Community machinery.

The conclusion I would draw is that the European Community has proved itself to do much better in fair weather than in foul weather. In the years of affluence and easy growth, the existence and the

development of the Community provided an important added impetus to that growth. This was reflected in the striking increase in internal Community trade between the original six members. The paradox is, of course, that when the weather gets rough and when there is the maximum advantage in being in a really strong and powerful economic ship that can cut through the waves and steer its own course, the temptation to take to national boats and seek cover in the nearest national harbour is at its highest.

In the world in which we are living, where the future balance of economic power between those who are the biggest producers of raw materials and those who are the biggest users of raw materials remains to be worked out, the case for being part of an effective European Community is stronger rather than weaker. The question is how we can best persuade the member countries of the Community to accept the implications of this and work out the conclusions.

There are two essential foundations for the development of an integrated Community - the first in the economic field; the second in the political and psychological field.

On the economic side, it is necessary to bring about a convergency of national economic strategies if the necessary foundations of an integrated Community are to be consolidated. The fact we must face is that at present, under the pressures of recession and inflation, the national economies of the Member States of the Community have been diverging instead of converging. We must stand ready to try to reverse that process as the recession recedes.

On the psychological and political side, the Community can only grow if the ordinary citizen begins to identify himself consciously as a citizen of the Community in the same way as he regards himself as belonging to his own national state. Community

consciousness should not, and indeed cannot, replace a sense of national identity, but it needs to grow up alongside it and to supplement it in a real way. It is only in this way that the sense of solidarity can be created which would enable people in one part of the Community to support and assist people in other parts of the Community through their taxes and in other ways, in the same way as they have been accustomed over centuries to do within their own nation state.

It is easier at present to move ahead on the political and institutional side of things, to encourage a greater sense of Community solidarity, than it is on the economic side, because of the present conditions of recession. That is why the decision at the European Council in Rome to go ahead with a date for direct elections to the European Parliament in 1978 is so important and why also the decision to

take the first steps in the creation of a European Passport has significance. It is vitally important that, while there are difficulties in making economic progress, we should push ahead on the institutional front. That is why the Report that Mr Tindemans is about to produce on the way to develop European Union is of such importance. He is the right man, doing the right thing at the right time, which is a rare conjunction in politics.

It is a fallacy, however, to believe that institutional progress can move too far ahead or get too far out of step with progress in making the economies of the Community converge. What we must hope is that Mr Tindemans' Report will enable practical progress to be made on the institutional front in the next year or two, so that, when the upturn in the world recession finally begins to lift the economies of the Community, there will be the right sort of political climate to

encourage real progress in terms of economic integration. It will also be of great importance, when that time comes, that the Regional and Social Policies of the Community will have been encouraged to develop to a degree that will create real confidence in the less privileged regions and sectors and that their interest and welfare will be properly safe-guarded in the advance towards a more integrated economic and monetary union.

It is now three years since I first came to Brussels as a European Commissioner. They have been years with many more difficulties than one could have foreseen and, despite all the frustrations, immensely satisfying, for there is no more worthwhile task in the politics of our time than to try to bring about the conditions in which the nine ancient nations of the European Community can be persuaded that it is in their common interest to integrate their economies and pool

their resources and their political influence. Despite all the difficulties and the challenges, I believe that the European Community has shown that, young as it is, like the nations that compose it, it has already grown deep roots and that it has a capacity to survive the storms. With every crisis I live through, I become more and more convinced that the real question is not whether the European Community will break up, but how fast we can persuade it to advance and to grow.