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YOU HAVE ASKED ME HERE TONIGHT TO TAKE PART IN YOUR DISCUSSIONS ON THE POLITICS OF CONTEMPORARY EUROPE, AND I AM HONOURED AND SLIGHTLY AWED TO DO SO IN SUCH AUGUST AND DISTINGUISHED COMPANY. I SHALL, HOWEVER, DO MY BEST TO MAKE SENSE, AND IN ORDER TO DO SO I SHALL LIMIT MYSELF FAIRLY STRICTLY TO COMMENT ON THE ROLE OF THE EUROPEAN COMMUNITY IN CONTEMPORARY EUROPE, AND ON THOSE AREAS WHERE THERE IS A SPECIFIC RELATIONSHIP BETWEEN THE COMMUNITY AS A WHOLE AND THE UNITED STATES.

I SUPPOSE THAT FIRST I SHOULD OUTLINE VERY BRIEFLY WHAT THE EUROPEAN COMMUNITY IS, WHAT IT DOES, HOW IT HAS CHANGED, AND HOW IT IS CHANGING THINGS IN EUROPE.

IT BEGAN NOT LONG AFTER THE SECOND WORLD WAR WITH, IT MUST BE SAID, VERY CONSIDERABLE, THOUGH NOT VERY OVERT, SUPPORT FROM THE UNITED STATES, WHOSE FOREIGN POLICY ESTABLISHMENT BELIEVED, UNSURPRISINGLY, THAT A PRETTY GOOD WAY OF PREVENTING FURTHER WARS IN EUROPE, AND HELPING POST WAR RECOVERY ON ITS WAY WAS THE ESTABLISHMENT OF SOME FORM OF EUROPEAN INTEGRATION.

THIS FITTED NICELY WITH THE ASPIRATIONS, IN FACT THE ALMOST RELIGIOUS BELIEF OF SOME SENIOR EUROPEAN STATESMEN, THAT EUROPEAN UNION WAS THE ONLY WAY FORWARD FOR THE OLD, WAR-SCARRED CONTINENT.

THE FIRST MANIFESTATION OF THIS NEW UNION WAS THE EUROPEAN COAL AND STEEL COMMUNITY, ^{FORMED IN 1952} IN WHICH SIX NATIONS, THE OLD ENEMIES, FRANCE AND GERMANY, TOGETHER WITH ITALY, THE NETHERLANDS, BELGIUM AND LUXEMBOURG, AGREED TO POOL THEIR COAL AND STEEL RESOURCES... THE VERY SINEWS OF WAR. THIS ALL WENT SO WELL THAT AFTER MUCH NEGOTIATION IN 1958 THE TREATY OF ROME WAS SIGNED BY THE SAME SIX SETTING UP THE EUROPEAN ECONOMIC COMMUNITY -- A COMMON MARKET WHICH AIMED AT THE ABOLITION OF ALL INTERNAL BARRIERS TO TRADE, AND THE SETTING UP OF A COMMON EXTERNAL TARIFF ^{AGAINST} ~~TO~~ TRADE FROM THE OUTSIDE. THE ROME TREATIES ALSO INCLUDED ONE CREATING A EUROPEAN ATOMIC ENERGY COMMUNITY, EURATOM, WHICH HAD THE PURPOSE OF DEVELOPING EUROPEAN ATOMIC ENERGY FOR PEACEFUL PURPOSES.

IN 1973, AFTER MUCH TO-ING AND FRO-ING WITH GENERAL DE GAULLE AND, SHALL WE SAY, ^{DIFFICULT} EXACERBATED POLITICAL DISCUSSION IN THE STATES ^{CONCERNED} ~~CONCERNED~~ THREE MORE NATIONS JOINED THE ORIGINAL SIX, AND WITH THE ADDITION OF THE UK, IRELAND AND DENMARK, WE BECAME THE EUROPE OF THE NINE.

SO THIS IS THE BEAST THAT YOUR AMERICAN POLICYMAKERS NOW HAVE TO DEAL WITH WHEN THEY LOOK AT EUROPE... AND A PRETTY STRANGE ANIMAL IT IS, WITH NINE HEADS, ALL TALKING DIFFERENT LANGUAGES, AND, MORE OFTEN THAN NOT SAYING DIFFERENT THINGS, AND, SOMETIMES FACING IN

different directions

DIFFERENT DIRECTIONS AT THE SAME TIME.

I THINK IT IS WORTH CONTINUING THE METAPHOR A LITTLE FURTHER TO SAY THAT IT IS ALSO A COMPARATIVELY YOUNG BEAST, THAT IS ^{GROWING UP} ~~DEVELOPING~~ FAST, BUT HAVING VERY CONSIDERABLE DIFFICULTIES WITH ITS DEVELOPMENT. IN FACT, IF IT WERE AN AMERICAN BEAST ^{I SUSPECT} IT WOULD ALREADY BE IN THE HANDS OF ONE OR MORE COMPETENT PSYCHIATRISTS...

BUT ENOUGH OF THIS FANTASTICAL STUFF. THERE ARE SERIOUS QUESTIONS HERE ABOUT THE DEVELOPMENT OF SOME SORT OF INTEGRATION IN EUROPE, AND THE RELATIONSHIP THAT HAS DEVELOPED BETWEEN THE COMMUNITY AND AMERICA AS A RESULT OF THAT INTEGRATION.

LET'S TAKE INTEGRATION FIRST. IT IS TRUE TO SAY THAT TO SOME EXTENT THE NINE NATION STATES THAT FORM THE EUROPEAN COMMUNITY ARE UNITED. IT IS ALSO TRUE TO SAY THAT EACH IS AN INDEPENDENT, SOVEREIGN ENTITY WITH ITS OWN POLICY, ITS OWN DESTINY, AND, PERHAPS, ITS OWN ILLUSIONS. // THIS IS ^A ~~THE~~ RICH AND PARADOXICAL MIXTURE, AND IS, I THINK, ONE OF THE REASONS THAT YOU AMERICANS FIND THE COMMUNITY SO DIFFICULT TO PIN DOWN, TO PUT A NAME TO. IT IS NOT A FEDERATION, A UNITED STATES OF EUROPE, THOUGH IT HAS SOME POTENTIAL TO BECOME ONE, NOR IS IT SIMPLY AN ECONOMIC UNION, A FREE TRADE AREA, THOUGH IT IS THAT TOO. SO WHAT IS IT, THIS COMMUNITY IN EUROPE?

IN WHAT FIELDS DO THESE SOVEREIGN STATES WORK TOGETHER,
WHAT DO THEY ACHIEVE?

IN THIS MULTIPLICITY OF RHETORICAL QUESTIONS, FOR WHICH
I APOLOGISE, THE FIRST, PERHAPS, IS HOW DO THEY DO WHAT
THEY DO, WHAT IS THE DECISION MAKING PROCESS BY WHICH
NINE DISPARATE PEOPLES HAMMER OUT THEIR DIFFERENCES, AND
REACH A CONSENSUS ON COMMON POLICIES IN VARIOUS FIELDS?

FIRST, THERE IS WHAT I CALL EUROPE'S CIVIL SERVICE,
THE EUROPEAN COMMISSION. THIS IS COMPOSED OF ABOUT
10,000 MEN AND WOMEN, FROM ALL THE MEMBER STATES,
SOME 30 % OF THEM INTERPRETERS, AND THE WHOLE THING IS
HEADED BY 13 COMMISSIONERS APPOINTED BY THE GOVERNMENTS
OF THE MEMBER STATES. THERE ARE TWO COMMISSIONERS
FROM EACH BIG NATION AND ONE EACH FROM THE SMALLER
STATES. IT IS THE JOB OF THIS ORGANISATION AS THINGS
NOW STAND TO COME UP WITH POLICIES FOR EUROPE.

THIS DOES NOT MEAN, OF COURSE, THAT THESE PEOPLE SIT
IN A TRANCE-LIKE STATE CREATING THE PURE MILK OF
COMMUNITY IDEAS, THOUGH, AS IN ANY BUREAUCRACY, TRANCE
IS NOT AN UNCOMMON STATE...

WHAT THEY DO, OF COURSE, IS HIGHLY POLITICAL, THEY
CONSULT WITH MEMBER STATE OFFICIALS, SNIFF THE POLITICAL
WINDS IN ANY WAYS THEY KNOW HOW AND AT ANY LEVEL, AND

after laborious permutations,

AFTER LABORIOUS PERMUTATIONS, THEY PRODUCE PROPOSALS ON COMMUNITY POLICY WHICH THEY SUBMIT TO THE POLITICAL DECISION MAKING ARM OF EUROPE, THE COUNCIL OF MINISTERS.

THESE COUNCILS MEET ALL THE YEAR ROUND TO CONSIDER COMMUNITY POLICY AT A POLITICAL LEVEL. THEY ARE COMPOSED OF THE RESPONSIBLE MINISTERS FROM THE MEMBER STATE GOVERNMENTS. IF AGRICULTURAL POLICY IS TO BE DISCUSSED, FOR EXAMPLE, THE COUNCIL WILL BE OF THE AGRICULTURAL MINISTERS, MONETARY PROBLEMS ARE DISCUSSED BY THE MINISTERS OF FINANCE, AND SO ON. THE DECISION OF THESE COUNCILS IS FINAL. ANY REALLY ^{GENERAL} ~~HIGH LEVEL~~, OR PARTICULARLY, INTRACTABLE PROBLEMS ARE DEALT WITH BY THE HIGHEST LEVEL COUNCIL, CALLED, SUITABLY ENOUGH, THE EUROPEAN SUMMIT. THIS CONSISTS OF THE HEADS OF GOVERNMENT, AND FOREIGN MINISTERS OF THE NINE AND MEETS THREE TIMES A YEAR ON AVERAGE.

POLITICAL COOPERATION BETWEEN THE MEMBER STATES, PARTICULARLY IN AREAS OF FOREIGN POLICY IS HANDLED BY A GROUP OF MEMBER STATE MISSIONS TO THE COMMISSION IN BRUSSELS.

TO COMPLETE THIS PICTURE OF THE DECISION MAKING PROCESSES OF THE COMMUNITY I MUST NOT LEAVE OUT THE EUROPEAN PARLIAMENT. IT IS NOT WELL KNOWN HERE, AND EVEN, I SUSPECT, IN THE COMMUNITY ITSELF, THAT THERE IS ALREADY A PARLIAMENT FOR EUROPE.

AT PRESENT ITS MEMBERS ARE APPOINTED FROM THE PARLIAMENTS OF THE MEMBER STATES, AND THE BODY HAS NOT MUCH POWER BEYOND THAT OF DISCUSSION, BUDGETARY AMENDMENT, AND, DRASTICALLY, THE RIGHT TO SACK THE COMMISSION.

BUT ALL THIS IS ABOUT TO CHANGE. IN FACT WHAT MAY PROVE TO BE A TURNING POINT IN EUROPEAN POLITICAL HISTORY IS ABOUT TO TAKE PLACE. ~~ON~~ ^{IN} JUNE 1979, THERE WILL BE A COMMUNITY-WIDE ELECTION FOR A NEW EUROPEAN PARLIAMENT OF ^{ABOUT} 480 MEMBERS. THIS WILL MEAN THAT SUDDENLY, SITTING IN STRASBOURG, LUXEMBOURG, OR PERHAPS BRUSSELS, WHEREVER THEY DECIDE TO MEET, THERE WILL BE A BODY OF MEN WHO HAVE BEEN ELECTED BY POPULAR SUFFRAGE TO CONSIDER EUROPEAN PROBLEMS EXCLUSIVELY, AND TO FURTHER EUROPEAN UNION.

THE FASCINATING THING ABOUT THIS, TO A COMMITTED EUROPEAN LIKE MYSELF, IS THAT NOBODY CAN PREDICT WHAT THEY WILL DO, BUT IT IS MORE THAN LIKELY THAT THEY WILL START TO PUSH FOR FURTHER INTEGRATION.

IT MAY BE THAT THE MEMBER STATE GOVERNMENTS WILL NOT LIKE THIS PRESSURE, BUT IT IS CERTAIN THAT THEY CANNOT AFFORD TO IGNORE A BODY WITH A POPULAR EUROPEAN MANDATE WHICH IS DETERMINED TO GO IN A EUROPEAN DIRECTION. I LEAVE ASIDE THE OBVIOUS PROBLEM OF A CHANGE IN THE ROLE OF THE COMMISSION WITH AN ELECTED PARLIAMENT, BUT WOULD BE

happy to discuss it

HAPPY TO DISCUSS IT AFTERWARDS // SO THAT, TO RETURN
TO MY QUESTIONS, IS HOW WE DO WHAT WE DO -- THE
MACHINERY OF ~~EUROPE~~ ^{THE COMMUNITY}.

NOW I SHOULD LIKE TO TAKE A FAST GALLOP THROUGH WHAT
WE DO. IN WHAT AREAS DO THE NINE WORK TOGETHER IN
EUROPE?

FIRST, I SUPPOSE, THERE IS THE EUROPEAN ECONOMIC
COMMUNITY, THE COMMON MARKET. MANY AMERICANS CALL THE
WHOLE EUROPEAN THING THE "COMMON MARKET", BUT IT IS,
IN FACT, TO BE SPECIFIC, THE CUSTOMS UNION INSIDE
EUROPE, WHICH, WITH THE LOWERING OF BARRIERS HAS DONE
SO MUCH TO INCREASE THE PROSPERITY OF ALL MEMBERS
OF THE COMMUNITY, PARTICULARLY OF THE ORIGINAL SIX
BEFORE THE ARAB OIL EMBARGO AND THE ENSUING RECESSION.

THE IMPORTANCE OF INTRA-COMMUNITY TRADE CANNOT BE OVER-
ESTIMATED. GERMANY FOR EXAMPLE, THE MUCH DISCUSSED
"LOCOMOTIVE OF THE COMMUNITY" SELLS 40 % OF HER DOMESTIC
PRODUCT INTO THE COMMUNITY MARKET. BELONGING TO EUROPE
IS ONE OF THE PILLARS OF HER PROSPERITY. SHE DOES
QUITE AS WELL OUT OF THE REST OF US AS WE OUT OF HER.

SECOND, THERE IS THE ~~WICH~~ MORE CONTROVERSIAL COMMON
AGRICULTURAL POLICY, BY WHICH EUROPEAN FARMERS ARE
GUARANTEED CERTAIN PRICE LEVELS FOR THEIR PRODUCTS.

PROBLEMS
ARE SOME CONTROVERSY
THERE ~~IS WITH THESE~~ SURROUNDING THIS POLICY BOTH
INSIDE EUROPE AND WITHOUT, AND IN PARTICULAR, CRITICISM
OF THE SURPLUSES IT CREATES, THE SUBSIDIES INVOLVED
AND THE INFLATIONARY EFFECT OF ANNUAL PRICE RISES.
THERE IS A CONSENSUS IN THE COMMUNITY THAT REFORM IS
NECESSARY. // THE COMMUNITY HAS ALSO A REGIONAL POLICY
UNDER WHICH GRANTS ARE MADE FROM A FUND TO WHICH ALL
MEMBERS CONTRIBUTE TO BRING INDUSTRY AND JOBS TO
THE POORER AREAS OF EUROPE. // IN A SIMILAR WAY, A
SOCIAL FUND IS USED TO ATTEMPT TO DO SOMETHING
TOWARDS PROBLEMS OF YOUTH UNEMPLOYMENT, INDUSTRIAL
RETRAINING, MIGRANT WORKERS AND A WHOLE CANON OF
OTHER PROBLEMS THAT DEVELOPED SOCIETIES ARE HEIR TO.

IN THE LEGAL FIELD, THE COMMISSION OPERATES A COMPREHENSIVE
ANTI-TRUST POLICY, AIMED AT BREAKING MONOPOLIES, AND
ENSURING A FAIR DEAL FOR THE CONSUMER.

THERE IS GROWING, AS A RESULT OF THESE AND OTHER COMMUNITY
POLICIES, A BODY OF COMMUNITY LAW WHICH IS ADMINISTERED
BY THE EUROPEAN COURT, *AN INSTITUTION* ~~THE~~ THAT HAS SOMETHING OF THE
ROLE OF YOUR SUPREME COURT, THOUGH NOT YET ITS
AUTHORITY.

BUT THE COURT'S DECISIONS ^{DO} HAVE THE FORCE OF LAW IN
ALL MEMBER STATES. NOT LONG AGO, I SEEM TO REMEMBER,
A SABENA, BELGIAN AIRLINES, STEWARDESS WENT BEFORE THE
COURT IN A CASE WHERE SHE WAS DEMANDING EQUAL PAY

with male stewards.

WITH MALE STEWARDS. THE COURT RULED IN HER FAVOUR, THUS IMPOSING ON EVERY AIRLINE IN THE EUROPEAN COMMUNITY A HIGHER WAGES BILL... AND, I THINK, A BIT OF WHAT YOU MIGHT CALL JUSTICE.

SO WE WORK TOGETHER. IN ALL SORTS OF WAYS COMMUNITY POLITICS AND INSTITUTIONS, AND MEMBER STATE POLITICS AND INSTITUTIONS ARE INEXTRICABLY INTERWOVEN. IT WOULD BE VERY DIFFICULT FOR ANY MEMBER TO LEAVE THE COMMUNITY WITHOUT DAMAGING ITS OWN STRUCTURES SEVERELY.

NEVERTHELESS ONE MUST NOT LOSE SIGHT OF THE FACT THAT THE MEMBER STATES ARE STILL SOVEREIGN STATES. THEY WILL NOT, INDEED SHOULD NOT, GIVE UP THEIR SOVEREIGNTY IN ANY AREA WITHOUT THE CONVICTION THAT IT WILL BE OF BENEFIT TO THE MAJORITY OF THEIR PEOPLE. AND THEY DON'T.

IN ALL SORTS OF AREAS THE MEMBER STATES STILL HAVE COMPLETELY INDEPENDENT POLICIES. IN THE ENERGY FIELD, FOR EXAMPLE, DESPITE THE EXISTENCE OF THE EUROPEAN COAL AND STEEL COMMUNITY, THERE IS NO GENUINE EUROPEAN COOPERATION OVER OIL. WE, NO MORE THAN YOU, HAVE A VIABLE "ENERGY POLICY"^{AS SUCH}. IT WOULD BE GREATLY TO THE COMMON GOOD IF WE DID. THE REASONS ARE NATIONALISTIC AND STRATEGIC. IT SHOULD NOT BE FORGOTTEN THAT OIL SUPPLY IS A MAJOR DEFENCE CONSIDERATION, AND IN DEFENCE, THERE IS NO COMMUNITY RESPONSIBILITY. LIKE HIS HOLINESS THE POPE, THE EUROPEAN COMMISSION HAS NO BATTALLIONS.

DESPITE ALL THIS, IT CAN BE SAID THAT THE STRENGTH OF THE COMMUNITY AND THE REASON FOR ITS CONTINUED, IF HALTING DEVELOPMENT, IS THAT IT EXISTS TO SOLVE THOSE PROBLEMS THAT ARE BETTER SOLVED IN COMMON.

AND ^{THESE IS A} ~~WITH THE~~ GROWING AWARENESS WITHIN THE COMMUNITY OF OUR INTERDEPENDENCE, AND THE INTRACTABILITY OF THE ENORMOUS PROBLEMS THAT FACE US, UNLESS WE ^{DEAL WITH} ~~FACE~~ THEM TOGETHER. WE ARE NOW, IN MY VIEW, SORT OF HUNKERING DOWN TOGETHER LIKE A FOOTBALL TEAM DURING TIME OUT, WORKING OUT OUR STRATEGY FOR WHAT WE WOULD CALL, IF OF A DIFFERENT TIME AND IDEOLOGY, "A GREAT LEAP FORWARD", ^{PARTICULARLY} IN THE FIELD OF MONETARY UNION WHICH I SHALL DISCUSS A BIT LATER.

AS TO THOSE PROBLEMS THEMSELVES, THEY WILL NOT BE NEWS TO AN AUDIENCE AS WELL INFORMED AS YOURSELVES. EVERY NATION IN THE COMMUNITY EXCEPT GERMANY, AND TO A LESSER EXTENT THE BENELUX COUNTRIES, CRUISES PERILOUSLY BETWEEN THE TWIN REEFS OF INFLATION AND UNEMPLOYMENT. INFLATION IS STILL HIGH IN THE COMMUNITY, AND REMAINS A THREAT FOR THE FUTURE. ^{ECONOMIC GROWTH IS STAGNANT.} UNEMPLOYMENT STANDS AT 6 AND A HALF MILLION. BETWEEN NOW AND 1985 ANOTHER 9 MILLION YOUNG PEOPLE WILL JOIN THE LABOUR MARKET.

WE ARE, IN GENERAL, STILL IN THE THROES OF THE RECESSION WHICH BEGAN WITH THE ARAB OIL EMBARGO IN 1973. BUT OUR PLIGHT CANNOT, I THINK, BE BLAMED ANY LONGER ON THAT EVENT.

HAD WE BEEN STRONG, OR EVEN MANAGED OURSELVES WELL, WE SHOULD BY NOW HAVE ABSORBED THAT PRESSURE. BUT WE WERE NEITHER, AND OUR STRUCTURAL WEAKNESS HAS SOMETHING TO DO WITH US, AND A LOT TO DO WITH WHAT HAS BEEN GOING ON IN THE REST OF THE WORLD.

AND THIS BRINGS ME TO WHAT, AFTER ALL, SHOULD BE THE HEART OF THIS SPEECH, THE RELATIONSHIP BETWEEN EUROPE AND THE UNITED STATES.

INDEED, YOU WILL BE APPALLED TO HEAR THAT IN A SENSE, EVERYTHING THAT I HAVE SAID UP TILL NOW IS MERELY A PREAMBLE.

YET WITHOUT HAVING SOME UNDERSTANDING OF WHAT THE COMMUNITY IS, AND THE PARADOXES IT ABSORBS, IT IS VERY DIFFICULT TO EXPLORE EVEN THE BASICS OF THE EVER CHANGING, AND HIGHLY NUANCED RELATIONSHIP BETWEEN THIS STRANGE ANIMAL GROWING IN EUROPE, AND THE MOST POWERFUL NATION-STATE ON EARTH.

OVER THE TWENTY-FIVE YEARS OF THE COMMUNITY'S EXISTENCE, THIS RELATIONSHIP HAS SEEN SEVERAL CHANGES. IN THE SIXTIES, EUROPEAN/AMERICAN RELATIONS WERE BOTH HARMONIOUS, AND SEEN AS MUTUALLY CONVENIENT WITHIN THE ATLANTIC ALLIANCE.

THINGS CHANGED FOR THE WORSE UNDER MR. NIXON IN AUGUST 1971 WHEN THE U.S. GOVERNMENT SUSPENDED THE CONVERTIBILITY OF THE DOLLAR INTO GOLD, AND INTRODUCED A NUMBER OF MEASURES DESIGNED TO PROTECT AMERICAN COMMERCIAL AND ECONOMIC INDEPENDENCE. WHAT WAS REGARDED AS THE DISRUPTION OF FREE TRADE CAUSED BY THESE MEASURES, CAUSED THE COMMUNITY TO RE-EXAMINE THE RELATIONSHIP. WHAT EMERGED FROM THE TRAUMA WAS A SENSE OF UNEASY PARTNERSHIP, A REALISATION THAT U.S. AND EC INTERESTS COULD DIFFER, AND, AS A RESULT, A MORE CONSCIOUS ATTEMPT WAS MADE TO DEFINE COMMON INTERESTS.

OF THE KISSINGER YEARS, IN GENERAL, IF ONE WAS BEING FLIPPANT ABOUT IT ALL, IT COULD BE SAID THAT, ONCE UPON A TIME MR. KISSINGER CAME TO BRUSSELS LOOKING FOR EUROPE, AND HAVING FAILED TO FIND IT, HE FORGOT ABOUT IT FOR A WHILE. AND IT COULD BE FURTHER SAFELY STATED, THAT THIS WAS, IN LARGE MEASURE, OUR OWN FAULT, BECAUSE WE COULD NOT AGREE ON ANYTHING TO SAY TO HIM.

BUT ALL WAS NOT LOST. THE YEARS BETWEEN 1973 AND NOW HAVE SEEN A GROWING NEW ~~AWARENESS~~ ^{ACCEPTANCE} OF THE IMPORTANCE AND COMPLEXITY OF THE RELATIONSHIP, AND A NEW WORD WHICH IS BEING KICKED ABOUT ON THE PLAYING FIELDS OF FOREIGN POLICY ANALYSIS WITH THE SAME ENERGY AS A NEW BALL ON THE PLAYING FIELDS OF ETON, THE WORD IS INTERDEPENDENCE.

WHAT THIS MEANS, OF COURSE, IS WHAT EVERYONE WHO THINKS ABOUT THESE THINGS IN EUROPE AND AMERICA HAS ALWAYS KNOWN IN HIS OR HER BONES, THAT WE NEED EACH OTHER, THAT WE HAVE A HELL OF A LOT IN COMMON. WE HAVE COMMON INTERESTS IN DEFENCE, IN STRENGTHENING AND PRESERVING THE POLITICAL AND ECONOMIC STRUCTURES OF FREE SOCIETIES, IN DEALING SENSIBLY WITH THE DEVELOPING WORLD, IN RESISTING PROTECTIONISM, AND ENSURING INTERNATIONAL FREE TRADE, IN REDUCING OUR ENERGY DEPENDENCE ON OPEC OIL, AND DEVELOPING NEW ENERGY RESOURCES. WE SHARE A CULTURAL HERITAGE THAT IS COMMON TO ALL OUR SOCIETIES.... THE LIST IS ENDLESS.

THERE HAVE, OF COURSE, FOR SOME TIME BEEN VARIOUS INSTITUTIONAL ATTEMPTS TO GIVE EXPRESSION TO THESE COMMON INTERESTS. THERE ARE, FOR EXAMPLE, REGULAR HIGH LEVEL CONSULTATIONS BETWEEN U.S. AND EUROPEAN COMMUNITY OFFICIALS TWICE EACH YEAR.

BUT IT IS UNDER THE ADMINISTRATION OF PRESIDENT CARTER THAT A NEW AND QUITE EXPLICIT DEVELOPMENT IN RELATIONS BETWEEN THE UNITED STATES AND THE EUROPEAN COMMUNITY HAS TAKEN PLACE.

MR. CARTER HAS MADE IT CLEAR FROM THE OUTSET, THAT NOT ONLY IS THE EUROPEAN ALLIANCE A CORNER STONE OF U.S. FOREIGN POLICY, BUT THAT THE U.S. WILL DEAL WITH THE

EUROPEAN COMMUNITY AS A GROUP IN ALL THOSE AREAS WHERE THE COMMUNITY HAS COMPETENCE. HE HAS BACKED UP THAT POSITION BY SENDING VICE PRESIDENT MONDALE TO BRUSSELS IN THE VERY EARLY DAYS OF THE ADMINISTRATION, BY VISITING BRUSSELS HIMSELF MORE RECENTLY ON HIS WORLD TOUR, AND BY, MORE PRIVATELY, MAKING IT CLEAR THAT ~~HE~~ HE THOUGHT ~~THE~~ THE COMMUNITY SHOULD BE REPRESENTED BY ITS PRESIDENT, ROY JENKINS, AT THE LONDON ECONOMIC SUMMIT IN MAY 1977, DESPITE THE RESISTENCE OF SOME OF THE MEMBER STATE HEADS OF GOVERNMENT.

THIS VERY SPECIFIC STANCE BY THE CARTER ADMINISTRATION IS INTERESTING IN THE ~~DOMESTIC POLITICAL CONTEXT AS~~ *LIGHT OF WHAT HIS CHIEF FOREIGN POLICY ADVISOR PERCEIVES IN CERTAIN ATTITUDES* ~~WELL, OF COURSE, AS BEING VERY WELCOME TO US IN THE~~ *TOWARDS EUROPE AMONG ~~THE~~ AMERICANS ~~IN THE~~* ~~COMMUNITY.~~

AS POINTED OUT BY MR. BRZEZINSKI IN HIS ESSAY IN FOREIGN POLICY MAGAZINE OF SUMMER 1976, THE CONVENTIONAL WISDOM (I BELIEVE HE USES THE WORD "RHETORIC") IN THE U.S. IS OF A COMMITMENT TO FREE ENTERPRISE, TO THE BUSINESS ETHIC, AND TO THE PROFIT MOTIVE, AND THAT THIS IS HELD TO AS A DOCTRINE DESPITE ITS OBVIOUS CONFLICT WITH THE FACTS OF INCREASED STATE INTERVENTION IN AMERICAN LIFE.

IN TERMS OF PUBLIC OPINION THIS TRANSLATES INTO A VERY CONSIDERABLE DISTASTE AMONG AMERICANS FOR MANY OF THE DEVELOPMENTS TAKING PLACE IN EUROPE, *AND ELSEWHERE* WHERE PUBLIC

ownership and welfare budgets

OWNERSHIP AND WELFARE BUDGETS HAVE EXPANDED MASSIVELY, AND A MORE COLLECTIVIST ATTITUDE IS A COMMON ATTRIBUTE OF GOVERNMENT.

THIS RECEIVED WISDOM ALLOWS AMERICAN FARMERS, FOR EXAMPLE, TO RAIL AGAINST THE STATE SUBSIDISED, AND, IN PARTICULAR, THE PROTECTIONIST ASPECTS OF THE COMMUNITY'S COMMON AGRICULTURAL POLICY, WHILE, AT THE SAME TIME, DEMANDING PROTECTION AGAINST EUROPEAN AGRICULTURAL IMPORTS, AND INCREASES IN ~~THE~~ ^{THEIR} OWN FARM PRICE GUARANTEES.

IF THIS PREJUDICE IN FACT EXISTS, WHY HAS MR. CARTER BEEN PREPARED TO EXPRESS OVERT SUPPORT FOR A EUROPEAN GROUPING OF MIXED, NOT STRONGLY CAPITALIST SOCIETIES ^{WITH A COLLECTIVIST BENT?}

IT IS ONLY A HALF SERIOUS QUESTION, AND.

THE REASONS ARE NOT HARD TO FIND. FIRST, OF COURSE, THE OVERWHELMING STRATEGIC CONSIDERATION THAT AN INTEGRATING EUROPE, HOWEVER IMPERFECT, IS BETTER THAN A SERIES OF SQUABBLING NATION STATES WITHIN THE NATO ALLIANCE. SECOND, THE U.S. HAS NATURAL LINKS WITH EUROPEAN SOCIETIES WHICH SHARE THE SAME HERITAGE, WHATEVER THEIR DIFFERENCES WITH AMERICA OVER POLITICAL AND ECONOMIC METHOD. AND THIRD, AND MOST IMPORTANT TO MY PURPOSE HERE, THE QUITE EXTRAORDINARY IMPACT ON THE WORLD OF EUROPEAN COMMUNITY FOREIGN POLICY. THE SIMPLE FACT FACED BY PRESIDENT CARTER AND HIS ADVISORS IS THAT IN TERMS OF MUTUAL SELF INTEREST, THE COMMUNITY AND THE U.S. NEED EACH OTHER, AND IT IS

NO LONGER POSSIBLE FOR AMERICA TO DEAL ON A SOLELY BILATERAL BASIS WITH THE MEMBER STATES... ALTHOUGH, OF COURSE, SHE DOES AS AND WHEN IT SUITS HER PURPOSE, — AS DO THEY. ~~AND~~ FOURTHLY, OF COURSE, THE CONCEPT OF A EUROPEAN GROUPING IS PART OF THAT TRILATERAL U.S.-EC-JAPAN VIEW OF FOREIGN POLICY THAT DOMINATES THE THINKING OF THE PRESIDENT AND HIS ADVISORS.

THE NEW ADMINISTRATION IN THE UNITED STATES HAS PERCEIVED THE TRUTH THAT THE EUROPEAN COMMUNITY OFTEN LOOKS MORE IMPOSING TO AND HAS MORE IMPACT IN THE OUTSIDE WORLD THAN SOMETIMES SEEMS THE CASE TO THOSE WITHIN WHO ARE FACED DAILY WITH WHAT MIGHT CHARITABLY BE DESCRIBED AS ITS GROWING PAINS.

ONCE THE NINE DECIDED TO ACT TOGETHER IN CERTAIN IMPORTANT AREAS, TO USE THEIR CLOUT AS A GROUP, RESULTS CAME APACE. — (WE DO, AFTER ALL, ACCOUNT FOR 40 % OF THE WORLD'S TRADE.) IT IS NOW A FACT THAT FOREIGN COUNTRIES OFTEN NEGOTIATE THEIR MOST IMPORTANT AGREEMENTS WITH THE COMMUNITY AND NOT WITH THE MEMBER STATES.

LAST AUTUMN, FOR EXAMPLE, THE COMMUNITY CONDUCTED A SERIES OF NEGOTIATIONS ON TEXTILES WITH OVER THIRTY COUNTRIES WITH FAR MORE SUCCESS THAN IF THE MEMBER STATES HAD NEGOTIATED SINGLY. THE SAME SORT OF TALKS HAVE BEEN TAKING PLACE WITH STEEL PRODUCING

COUNTRIES. A NEW COMMERCIAL AGREEMENT WITH CHINA HAS BEEN SIGNED. WE ARE NEGOTIATING AS A GROUP AT THE CRUCIAL TALKS TAKING PLACE IN GENEVA ON A NEW GENERAL AGREEMENT ON TARIFFS AND TRADE.

~~AND WE SHALL BE REPRESENTED AS A GROUP AT THE BONN SUMMIT IN MID JULY~~

THIS COMMON NEGOTIATING STANCE HAS CREATED THE EXPECTATION THAT THE COMMUNITY WILL HAVE A SIMILARLY COHERENT ^{POSITION} ~~STAND~~ ON THE MAJOR QUESTIONS OF INTERNATIONAL ECONOMICS AND POLITICS WHICH CONFRONT THE WORLD SUCH AS THE SO-CALLED NEW INTERNATIONAL ECONOMIC ORDER WHICH HAS BEEN CALLED FOR BY THE DEVELOPING NATIONS.

SO, INCREASINGLY, THE COMMUNITY IS BEING CALLED TO ACT IN INTERNATIONAL FORA ALONGSIDE THE UNITED STATES AS AN INTEREST GROUPING WHICH BY ITS VERY ECONOMIC

IMPACT MUST PLAY A PART IN POLITICS AT WORLD LEVEL. *INDEED, WE SHALL BE REPRESENTED AS A GROUP AT THE BONN SUMMIT IN MID JULY THIS YEAR.*

WHAT I SHOULD LIKE TO DO NOW, IN THE LAST FEW MINUTES OF WHAT I KNOW HAS BEEN AN OVERLONG HARANGUE, IS TO EXAMINE MORE SPECIFICALLY THE AREAS WHERE THE U.S. AND THE EC DEAL WITH EACH OTHER, WITH A FEW EXAMPLES OF CURRENT PROBLEMS TO BRING US UP TO DATE.

BUT BEFORE GOING ON TO DO THAT I THINK IT IS WORTH SAYING THAT IT IS IMPORTANT TO BE AWARE OF THE NATURE OF THE POLITICAL FRAMEWORKS IN WHICH POLICY IS HAMMERED OUT.

EARLIER ON I OUTLINED THE DECISION MAKING PROCESS OF THE COMMUNITY IN ^{A SMALL PART OF} ~~ALL~~ ITS GLORIOUS COMPLEXITY. WE ARE FREQUENTLY ACCUSED OF NOT BEING AMONG THE MOST EFFICIENT DECISION MAKING BODIES IN THE WORLD, AND WITH SOME JUSTICE. ^{ON THE OTHER HAND} IT IS MIRACULOUS, WHEN YOU THINK ABOUT IT THAT NINE OLD NATION STATES CAN REACH ANY MUTUALLY AGREED POSITION ON FOREIGN POLICY. THE FACT THAT THE PROCESS OF GETTING TO IT IS PRETTY LONG, IS INSIGNIFICANT BY COMPARISON. IT IS ALSO UNSURPRISING THAT ON SOME MATTERS WE ARE NOT AGREED AT ALL! - *FISHING LIMITS IS A GOOD EXAMPLE.*

THE UNITED STATES, AT THE MOMENT, IS HARDLY A SPLENDID EXAMPLE OF DECISIVENESS. AS YOU WILL ALL BE AWARE, THE ADMINISTRATION IS BEING SEVERELY LIMITED BY CONGRESS ON SEVERAL MAJOR POLICY INITIATIVES, AND THIS IN TURN AFFECTS RELATIONS WITH US OVER A WIDE RANGE OF ISSUES. PARTICULAR EXAMPLES OF THIS ARE THE ^{NOW-} NUCLEAR PROLIFERATION ACT, RELATIONS WITH THE DEVELOPING WORLD, AND, OF COURSE, THE ENERGY PROPOSALS.

SO SIMPLY ARRIVING AT COHERENT FOREIGN POLICIES IS DIFFICULT FOR BOTH OF US. WHAT, THEN, ARE THE AREAS IN WHICH THE COMMUNITY AS SUCH HAS DEALINGS WITH THE UNITED STATES. BROADLY THEY FALL INTO FOUR CATEGORIES, ^{AND, AS I HAVE JUST MENTIONED} TRADE, ENERGY, NUCLEAR AFFAIRS, AND THE THIRD WORLD RELATIONSHIP.

IN THE TRADE FIELD THERE IS A LONG HISTORY OF SMALL, BUT PERSISTENT AGGRAVATIONS BETWEEN THE EC AND THE U.S. ON THE LEVEL OF "CHICKEN WARS", "TURKEY AND BRANDY WARS", TROUBLES OVER DANISH BUTTER COOKIES AND SO ON. THE NEW ATTITUDE BY THE CARTER ADMINISTRATION HAS SWEEPED AWAY MOST MINOR PROBLEMS OF THIS SORT. THERE REMAIN NO REAL PROBLEMS IN THE TRADE FIELD EXCEPT STEEL, OVER WHICH SOME SOLUTIONS HAVE BEEN, PERHAPS THE PHRASE IS, "HAMMERED OUT". BUT IF I GET INTO THAT I SHALL NEVER GET ^OUT...! IN ANY CASE, IT HAS BEEN AGREED THAT THIS, AND OTHER PROBLEMS THAT REMAIN WILL BE DEALT WITH ^{TO A LARGE EXTENT} IN THE FRAMEWORK OF THE GATT TALKS IN GENEVA TO WHICH I HAVE ALREADY REFERRED.

IN THE FIELD OF NUCLEAR ENERGY, THE DIFFERENCE IN ENERGY REQUIREMENTS BETWEEN EUROPE AND THE UNITED STATES, AND THE POSITION OF THE CARTER ADMINISTRATION ON EXPORTS OF HIGHLY ENRICHED URANIUM HAVE LEAD TO A DIFFICULT SITUATION.

IN EUROPE WE ARE EVEN MORE DEPENDENT ON IMPORTED OIL THAN YOU ARE. IT HAS THEREFORE BEEN DECIDED THAT WE NEED TO GO FULL AHEAD ON DEVELOPING A NUCLEAR ENERGY PROGRAMME.

FURTHERMORE, SINCE WE ALSO IMPORT ALMOST ALL OUR SUPPLIES OF URANIUM, WE HAVE DECIDED TO GO FOR THE DEVELOPMENT

of fast breeder reactors

OF FAST BREEDER REACTORS BECAUSE, BASICALLY SPEAKING, THEY CAN DO MORE WITH LESS FUEL.

THE CARTER ADMINISTRATION, WITH A QUITE JUSTIFIED CONCERN TO LIMIT NUCLEAR PROLIFERATION AND WITH LESS URGENT ENERGY NEEDS, HAS DECIDED TO RESIST THE DEVELOPMENT OF THE PRESENT TYPE OF BREEDER REACTOR, AND TO ATTEMPT TO CONTROL THE EXPORT OF HIGHLY ENRICHED, WEAPONS GRADE, NUCLEAR MATERIALS. THE PASSING OF THE NUCLEAR NON-PROLIFERATION ACT OF 1978 IMPOSES ON US, *ONE OF* YOUR MAIN CUSTOMERS FOR URANIUM, THE NECESSITY OF EITHER AGREEING TO YOUR NEW REGULATIONS OR SEEKING SUPPLIES ELSEWHERE. OUR POSITION ON THIS IS STILL FLUID, BUT WE FEEL THAT SOME WAY WILL BE FOUND BETWEEN US TO NORMALISE SUPPLIES BECAUSE WE WANT TO AND SO, WE BELIEVE DOES THE ADMINISTRATION.

THE SUBJECT OF THE IMPORT OF CERTAIN IMPORTANT RAW MATERIALS BRINGS TO MIND ONE OF THE CENTRAL PROBLEMS FOR BOTH THE U.S. AND THE EC, AND ONE, IN WHICH I AM HAPPY TO SAY THAT YOU HAVE SOMETHING TO LEARN FROM US.

BECAUSE OF OUR COLONIAL PAST, AND BECAUSE OF OUR GREATER DEPENDENCE ON IMPORTED RAW MATERIALS, WE IN THE COMMUNITY SPOTTED VERY EARLY THE NEED TO SET UP A ~~PROPER~~, MUTUALLY BENEFITTING RELATIONSHIP WITH THE DEVELOPING WORLD.

WE HAVE SET UP IMPORTANT STRUCTURES OF OUR OWN ON A COMMUNITY BASIS, SUCH AS THE LOMÉ CONVENTION WITH ~~53~~ AFRICAN, CARIBBEAN AND PACIFIC NATIONS, MAINLY FORMER COLONIES OF THE VARIOUS MEMBER STATES. THIS GIVES OPEN ACCESS FOR THEIR PRODUCTS TO COMMUNITY MARKETS WITHOUT ASKING FOR RECIPROCAL ACCESS. IT ALSO EMBODIES THE STABEX SCHEME, AN INTERESTING OPERATION IN WHICH WE GUARANTEE THE EXPORT EARNINGS OF WHAT MIGHT BE CALLED ONE OR TWO CROP COUNTRIES IN BAD YEARS AS WELL AS GOOD, SO THAT THEY CAN CONTINUE THEIR DEVELOPMENT ON AN EVEN PATH.

EG?

WE HAVE ALSO PLAYED AN EFFECTIVE PART, NEGOTIATING AS A GROUP, IN THE VARIOUS ASPECTS OF THE COUNCIL OF INTERNATIONAL ECONOMIC COOPERATION, KNOWN OTHERWISE AS THE NORTH SOUTH DIALOGUE.

FOR THE UNITED STATES, ALTHOUGH THE NEED FOR A PROPER RELATIONSHIP WITH THE THIRD WORLD IS ALMOST AS GREAT, THE POLITICAL PROBLEMS OF ACHIEVING IT ARE EVEN GREATER.

WHILE WE HAVE, CURIOUSLY, PERHAPS, A GOOD RELATIONSHIP WITH MOST OF OUR FORMER COLONIES WHERE FAMILIARITY HAS BRED SOME SORT OF RELATIONSHIP AS WELL AS THE PROVERBIAL CONTEMPT, YOU HAVE SOME DIFFICULTY IN DEALING WITH NEW NATIONS.

MUCH

AMERICAN REACTION TO DEMANDS FOR A NEW ECONOMIC ORDER IS VERY SIMILAR TO THE REACTION TO THE RISE OF COLLECTIVISM, ~~OF A CONCERN~~ ^{AND} FOR "WELFARE" STATES IN DEVELOPED NATIONS. AS MR. BRZEZINSKI SAYS IN THE ARTICLE I MENTIONED EARLIER AND I QUOTE, "THE QUEST FOR GREATER GLOBAL WELFARE APPEARS TO MANY AMERICANS AS A CLAIM ON THEIR RESOURCES AND AS PORTENDING THE CONFISCATION OF THE FRUITS OF THEIR LABOR, WITH THE RESULT THAT SYMPATHY FOR THE NEW NATIONS HAS GRADUALLY GIVEN WAY TO RISING SUSPICIONS AND APATHY."

THIS SEEMS TO ME TO BE AN ACCURATE DESCRIPTION OF THE MOOD OF THE COUNTRY IN THAT RESPECT AS REFLECTED IN THE CONGRESS IN THIS ELECTION YEAR.

DESPITE THE FACT THAT AMERICA IS BECOMING MORE DEPENDENT ON IMPORTED RAW MATERIALS, AND ALREADY USES VERY LARGE PERCENTAGES OF THE WORLD'S AVAILABLE SUPPLIES, TO THE INCREASINGLY EXPRESSED IRRITATION OF SMALLER, WEAKER NATIONS, AID TO THE THIRD WORLD IS NOT A POPULAR TOPIC ON THE HILL THESE DAYS.

AT THE MOMENT WE ~~CAN~~ -- THAT IS THE DEVELOPED WORLD -- *can* HOLD OFF THE DEMANDS OF THE GROUP OF 77 THIRD WORLD COUNTRIES (AS THEY BECAME KNOWN AT THE CIEC.) THEY ARE IN DISARRAY. AND WITH THE WORLD ECONOMIC SLOWDOWN OIL DEMAND IS LOW, AND SO IS DEMAND FOR RAW MATERIALS, BUT THAT WILL CHANGE.

AND HAPPILY, YOU MAY SAY, THE U.S. ADMINISTRATION IS AWARE OF THE PROBLEM, AND THERE IS AN AWARENESS AT THE STATE DEPARTMENT OF JUST HOW USEFUL THE SPECIAL RELATIONSHIP OF THE EC TO MANY DEVELOPING COUNTRIES COULD BE TO THE USA. ~~WITHOUT GOING INTO DETAIL IT IS~~ OBVIOUS THAT, IF WE AGREED WE COULD ACT IN TERMS OF AID TO THOSE AREAS SUCH AS ETHIOPIA WHERE CONGRESS, AND INDEED THE ADMINISTRATION ITSELF WOULD FIND IT VERY DIFFICULT TO ACT DIRECTLY. THE PROBLEM OF SUCH AGREEMENTS FROM OUR STANDPOINT IS THAT HOWEVER VALUABLE WE MIGHT BE TO THE U.S. AS AN INTERMEDIARY WHO GIVES THE MONEY TO "THE BAD BOYS", IT COULD CAUSE UNTOLD DIFFICULTIES FOR US IN OUR OTHER ~~THIRD~~ ~~WORLD RELATIONSHIPS.~~ ?

OF COURSE, THE MAIN BONE OF CONTENTION BETWEEN THE COMMUNITY AND THE UNITED STATES OVER THE PAST MONTHS HAS BEEN THE FALL IN THE VALUE OF THE DOLLAR. THERE IS NO DOUBT THAT THE U.S. BEARS THE HUGE RESPONSIBILITY OF THE FACT THAT THE DOLLAR IS AN INTERNATIONAL RESERVE CURRENCY. THE EFFECTS OF THE DOLLAR'S CURRENT WEAKNESS GO WELL BEYOND THE U.S. ECONOMY. THE DOLLAR DOMINATES THE CURRENCY AND TRADING TRANSACTIONS OF THE WORLD. IT IS NOW A MAJOR PROBLEM FOR US AS WELL AS FOR YOU. ITS WEAKNESS HAS CEASED TO HELP U.S. EXPORTS MUCH. IT IS CAUSING DOMESTIC INFLATION IN THE U.S. AND CHAOS ON MONEY MARKETS ABROAD, ALTHOUGH IT HAS STRENGTHENED

over recent days.

OVER RECENT DAYS.

WE WANT YOU TO CONTINUE TO ACT TO STRENGTHEN AND STABILISE THE DOLLAR, AND THAT MEANS, AMONG OTHER THINGS, THE PASSAGE OF THE ENERGY LEGISLATION... BUT THERE IS NOT TIME HERE TO GO FURTHER INTO THAT.

IN A WAY, WE BELIEVERS IN THE CAUSE OF EUROPEAN UNITY ARE GRATEFUL FOR THE DOLLAR CRISIS. IT HAS GIVEN GREAT IMPETUS TO THE IMPORTANT EUROPEAN COMMISSION INITIATIVE FOR MONETARY UNION.

WE ARE BEING FORCED TO ACT, NOT AGAINST THE UNITED STATES, BUT TO PROTECT OURSELVES FROM A REPETITION OF THE RECENT DOLLAR PROBLEM.

THE EUROPEAN HEADS OF GOVERNMENT AT THE RECENT EUROPEAN SUMMIT IN COPENHAGEN, AGREED TO GO AHEAD ON A COMMON EUROPEAN MONETARY POLICY AIMED AT ACHIEVING GREATER STABILITY FOR COMMUNITY CURRENCIES, AND SO ISOLATING THEM ^{TO SOME EXTENT} FROM THE DOLLAR. I WON'T SPEND TIME GOING INTO THE VARIOUS TECHNICAL MEANS BY WHICH THIS WILL BE ACHIEVED, BUT I WILL SAY THAT IF IT COMES OFF IT WILL BE AN ENORMOUS STEP FORWARD TO EUROPEAN UNION. AND WE EUROPEANS SEE IT ALSO AS CRUCIAL IN ANOTHER CONTEXT, ^{IN} A HUGE DEVELOPMENT WHICH WILL HAVE AS PROFOUND AN EFFECT ON THE COMMUNITY AS A DIRECTLY ELECTED EUROPEAN PARLIAMENT.

THERE IS THE STRONG POSSIBILITY THAT BY THE END OF THE 1980'S THREE NEW NATIONS, GREECE, SPAIN AND PORTUGAL WILL HAVE JOINED THE COMMUNITY TO MAKE A TWELVE NATION GROUP.

THERE IS A STRONG POSSIBILITY THAT
~~CERTAINLY~~ GREECE WILL BE ADMITTED BY 1980, AND THE OTHER TWO HAVE APPLIED AND ARE BEING CONSIDERED. *INDEED PRESIDENT FERKINS IS VISITING SPAIN AT THIS MOMENT TO DISCUSS THE SPANISH APPLICATION.*

THE ECONOMIC DIFFICULTIES, AND THE INSTITUTIONAL STRESSES OF ADMITTING THESE NATIONS CANNOT BE OVERESTIMATED. THEY POSE AT ONCE THE GREATEST CHALLENGE, AND THE GREATEST THREAT TO THE COMMUNITY SINCE ITS CREATION. IT IS FIRMLY BELIEVED BY MANY OF THOSE CONCERNED WITH THE FUTURE HEALTH AND DEVELOPMENT OF THE COMMUNITY THAT WITHOUT THE STRENGTH IMPARTED BY *SOME FORM OF* MONETARY UNION, THE STRESSES CAUSED BY ENLARGEMENT WILL TEAR THE COMMUNITY APART.

IN TERMS OF THE U.S./EC RELATIONSHIP, THE REASONS FOR THE ACCEPTANCE BY THE COMMUNITY OF THESE THREE NEW APPLICANTS ARE IMPORTANT.

AS YOU WILL BE AWARE, ALL THREE ARE NEWLY EMERGED FROM DICTATORSHIPS, AND SEEK TO JOIN US TO PROTECT THEIR DEMOCRATIC SITUATION, AND TO SHARE IN OUR PROSPERITY.

THERE ARE MANY ECONOMIC ARGUMENTS, AS I HAVE IMPLIED,

for not accepting

FOR NOT ACCEPTING THEM. THEY WILL COST US MONEY, AND EFFORT.

BUT THE ARGUMENTS FOR ACCEPTANCE ARE IMPERATIVES FOR THE FREE WORLD, FOR THE ATLANTIC ALLIANCE, *AND THEREFORE FOR THE UNITED STATES.*

IT IS SIMPLY NOT POSSIBLE FOR US TO LEAVE THREE NASCENT DEMOCRACIES WAITING ON OUR DOORSTEP, PERHAPS TO SINK BACK INTO DICTATORSHIP.

WE SHALL NEED YOUR SUPPORT OVER THE YEARS EVEN MORE AS WE FACE UP TO THIS DIFFICULT TASK.

YOU HAVE BEEN VERY PATIENT, AND I SHALL STOP TALKING SOON, LEAVING I AM AFRAID, MUCH UNSAID. I HAVE NOT DEALT, FOR EXAMPLE, WITH THE DEVELOPMENT OF PARTY POLITICS ON A EUROPEAN SCALE, NOR WITH THE IMPORTANT, AND REGULAR LIAISON THAT IS TAKING PLACE BETWEEN DELEGATIONS OF THE EUROPEAN PARLIAMENT, AND THE CONGRESS OF THE UNITED STATES. I HAVE NOT MENTIONED THAT CRUCIAL FACTOR IN U.S./EC RELATIONS, THAT GOES BY THE NAME OF EURO-COMMUNISM, BUT THAT WILL BE (HAS BEEN) DISCUSSED BY

AN ABLER MIND THAN MINE. *I HAVE NOT SPOKEN ABOUT THE IMPORTANCE OF SUCCESSFUL COOPERATION AT THE ECONOMIC SUMMIT IN BOON. BUT, YOU WILL GET PLENTY OF THAT BETWEEN NOW AND JULY.*
IN A CURIOUS SENSE THE HEART OF THE RELATIONSHIP

BETWEEN THE TWO SIDES OF THE ATLANTIC IS THE FACT THAT WE SEEM TO NEED THE REASSURANCE OF EACH OTHER'S

CAPACITY TO FACE UP TO AND DEAL WITH THE VAST PROBLEMS THAT CONFRONT US. WE NEED TO BELIEVE IN EACH OTHER, AND THAT BELIEF NEEDS TO BE FOSTERED BY EXAMPLES.

SOMETIMES WHEN TALKING TO AMERICANS WHO HAVE TAKEN AN INTEREST IN THE DEVELOPMENT OF THE COMMUNITY, I GET A SENSE OF THEIR DISAPPOINTMENT. WE HAVE PROMISED MUCH, AND ACHIEVED MUCH LESS. THAT WAS TO BE EXPECTED. THE INTEGRATION OF EUROPE WAS NEVER A TASK FOR DECADES, BUT FOR CENTURIES. WE MUST TRY HARDER, AND YOU MUST BE PATIENT.

THE TEMPTATION IS ALWAYS TO END ON ONE OF THE GRANDER CLICHES, SUCH AS THE NEED FOR U.S.-EUROPEAN INTERDEPENDENCE IN THIS TROUBLED WORLD. BUT WHEN ALL IS SAID AND DONE, IT SEEMS TO ME THAT THERE'S NO NEED TO SAY THINGS LIKE THAT BECAUSE THE RELATIONSHIP IS ALREADY SO DEEP, THAT IT IS AN ASSUMPTION.

WHY I THINK IT WAS WORTH TALKING TO YOU TONIGHT ABOUT THIS THING IN EUROPE CALLED THE EUROPEAN COMMUNITY IS THAT IT IS REALLY A QUITE NEW DEVELOPMENT, NOT MUCH CONSIDERED HERE, AND I BELIEVE THAT IT IS OF VERY GREAT IMPORTANCE THAT AN UNDERSTANDING OF THE COMMUNITY, AND THE CHANGES IT IS MAKING IN THAT CENTRAL RELATIONSHIP BETWEEN EUROPE AND THE UNITED STATES SHOULD BECOME AN INESCAPABLE PART OF EACH AND EVERY DISCUSSION IN AMERICA ON THE POLITICS OF CONTEMPORARY EUROPE... THANK YOU.