

SPEECH BY CHRISTOPHER TUGENDHAT, COMMISSIONER OF THE
EUROPEAN COMMUNITIES, TO A MEETING OF THE HANSARD
SOCIETY AT THE HOUSE OF COMMONS, LONDON ON JUNE 2ND 1980
AT 6.30 p.m.

The British people are today reluctant Europeans. There is clear evidence from many sources, including the latest opinion polls, that a substantial majority of the population is unhappy with the European Community and would like Britain to leave. This is a message which all of us concerned with the management of the Community must take very seriously.

My response is that the British people are partly right and partly wrong. They are right to be discontented with the Community in its present form. They are wrong to want to leave. Instead they should be pressing for changes and improvements, and development of the Community in directions where its potential is greatest. It seems to me that we often concentrate only on the internal problem areas of the Community and lose sight of those areas where it is working well or where its potential is relatively underdeveloped.

I do not wish to suggest that the problems are unimportant. It is vital for the health of the Community that they be resolved. This applies particularly to the two best known problem areas - the distortions of the Common Agricultural Policy and the inequitable effects of budget flows on different Member States.

So far as the Budget flows are concerned an important step forward was taken with last week's agreement on the British Budget contribution. That contribution has been substantially reduced for the next two years. For the longer term the Community has also resolved to undertake structural changes designed to prevent the recurrence of unacceptable situations for any Member State.

Turning to the CAP the costly surpluses which are currently bringing it into disrepute can be, and I hope will be, reduced significantly. The difficulty has always been that of persuading the Council of Ministers to give sufficient weight to the financial and budgetary costs of policy decisions on the CAP, but these are considerations which they will soon be unable to continue to evade. In a year or two (and it is impossible to say exactly when - but probably by the end of 1982 at the latest) the Community will hit its own resources (or revenue) ceiling. Given the clear determination of several Member State governments not to raise the ceiling in the foreseeable future the Community if it is to continue to develop will have no alternative but to re-think fundamentally the distribution of its resources and its policy priorities.

There are, however, other important areas of the work of the Community where things are working well and where the Community has been successful. The "Tokyo Round" of trade negotiations within "GATT" is a good example. After several years of intense and detailed negotiations, during which the Community took a common position which gave it greater strength in dealing with powerful nations such as Japan and the USA, an agreement was reached last year. These negotiations and the agreement have done much to hold back the protectionist pressures which have been growing throughout the 1970s. They have also allowed special arrangements to be made for particular problem areas of industry in European countries, including the UK, which separately we would have had less chance of securing.

Likewise in relationships between the Developed and Developing worlds the Community plays a major part. The signing of the new Lomé II Convention last year, updating and expanding the Lomé I trade and aid agreement signed with 57 African, Caribbean and Pacific states in 1975, show that this unique contractual arrangement is valued by both sides. It is the most far-reaching and ambitious agreement of its kind anywhere in the world.

We should also remember that while we in the Community tend to gloomy introspection, there are those outside who are anxious to join us. European countries outside the Community often feel isolated from the mainstream of European political and economic life and less well placed to secure the trade and other concessions they want in international discussions. The speedy applications for membership from Greece, Portugal and Spain after the establishment of democracies in all three countries is a useful reminder of the importance others attach to the role of the Community as a means of strengthening democracy and offering economic opportunities to European citizens.

These are areas where the Community has played an important and successful role, but which we tend to forget about because they sound technical ("GATT Success" or "Lomé II Signed" are not ready made headlines for page I of the Sun!) and because a link with the living standards and jobs of citizens is not direct and easily demonstrable.

Looking to the future of our various countries the best opportunities in some very important areas of activity seem to lie in co-operation with our European neighbours. In an increasingly competitive world the combined economic strength of the Community is a force to be reckoned with by anyone. Together we have a gross national product not far short of that of the USA and considerably above that of the USSR, China or Japan. Our population is larger than either of the two super-powers and we lead the world in many of the most important technologies. We transact some 40% of worlds trade, and hold some 30% of the worlds currency reserves.

When we look at the world monetary situation, the energy crisis and the needs of the new technologies we can see the potential benefits of that combined strength and the risks and difficulties of a beggar-my-neighbour policy of isolation. These are policy areas where the Community is developing its work and where I believe we can all benefit from co-operation.

There is however another wider and more political role which I believe the Community can play in the world, and where the necessity for a common effort has been illustrated very clearly in recent months. The Community's work on trade and development co-operation to which I have referred are clearly within the area of Community competence as laid down in the Treaty of Rome in 1957. But foreign policy, of which they form an essential part, is not covered by the Treaty. Member States therefore agreed in 1970 a procedure of Political Co-operation which would operate in parallel with and to some extent through the normal Community institutions to ensure greater consultation and mutual understanding on foreign policy, and to seek to concert attitudes and actions. The commitment to consult was carried further at the Copenhagen summit of 1972 and since then has taken place regularly. It is on this area of policy that I want to concentrate the remainder of my remarks.

Before the world crises on Afghanistan and Iran arose the Community had made some progress in developing Political Co-operation, but there was only a limited sense of its urgency and necessity, and it had made little impact on the minds of Community citizens. Thus, for example, Community Member States took a joint approach at both the Helsinki and Belgrade Conferences on East/West relations and played a significant role in ensuring that human rights were discussed. Similarly the Nine are consulting closely on preparations for the second CSCE (Conference on Security and Co-operation) meeting to be held in Madrid later this year.

The Russian invasion of Afghanistan and the taking of hostages in Iran have, however, given a new sense of urgency to this work and have underlined with great clarity both the difficulties and the absolute necessity of a common European approach in major international issues. Without such a common approach the influence even of the most powerful European country cannot be a significant influence in international affairs.

Nothing that I have said, or am about to say, should be taken as meaning that I believe the UK to be incapable of surviving on its own. No doubt it could do so as a civilised nation with a great past retaining some friends and influence. We could pick up the odd important contract overseas, we could seek by diplomacy and by development of our defences to protect our oil supplies. But the fact is that in the counsels of the world we would no longer really count.

The important decisions on trade, on relationships with the third world, on energy policy, and on monetary policy, would all be taken without sufficient reference to us. We would find ourselves in a diplomatic limbo between Europe and the U.S.A., who would increasingly make contacts in which we played no part beyond our role in NATO. If I was a citizen of any other European country I should also be saying this to my compatriots. "Free and independent" is a great British tradition but freedom in a world where Britannia no longer rules the waves increasingly rests on a recognition of the interdependence of democratic nations.

The exceptionally dangerous state in which the world has been left by Iran and Afghanistan demands from the Community a great effort to make a constructive and co-ordinated contribution. When a leader such as Helmut Schmidt, the West German Chancellor, is moved to make comparisons with the slide into war in 1914, or when Giscard d'Estaing of France warns that "a blow has been struck at the policy of détente" we need to sit up and listen. More than that we need to take common action.

Community action in international affairs is particularly necessary against a background of weakening American political and economic influence. It does not imply moving away from or acting in opposition to the United States. On the contrary a cohesive Europe can be a more effective partner in the Atlantic Alliance with whom the U.S.A. should find it easier to do business. It also implies, however, that Europe should carry a larger part of the burden of sustaining the Alliance,

a burden of which the United States has had to carry too large a share since the end of World War II. The economic strength of Europe brings with it political and international responsibilities which we cannot shrug off.

Priorities and perspectives are, of course, not always identical on both sides of the Atlantic, but that should not surprise or worry us too greatly. The European interest, arising from our particular geographical and political circumstances, is more likely to be taken into account if we are active partners pursuing a clearly articulated strategy. Recent events have shown both the opportunities the Community offers for developing such a common approach in foreign policy and the difficulties which are involved in achieving it. When one is talking about nine countries with distinct and proud national traditions it is of course not easy to identify and agree on a greater common interest, but the gains to be won are I believe worth the effort.

World peace, and in particular the stability and independence of the Middle East and South West Asia are of vital concern to Europe and the resolution of the present international crisis must take precedence over the Community's internal difficulties.

In its response to the Afghanistan and Iranian crises towards the Community has made useful progress/agreeing a common position, which I want to describe briefly. In the United Nations in January the Foreign Ministers of the Nine supported a resolution calling on all States to respect the territorial integrity and national independence of Afghanistan and to refrain from interference in its internal affairs. At Rome in February they agreed to further this resolution by canvassing support for and seeking comments on a proposal, initiated by Lord Carrington, for Soviet withdrawal from Afghanistan on the basis of a guarantee of its neutrality. This proposal has the merit both of taking into account the alarm caused in many non-aligned countries by the Soviet action and also of offering a respectable basis on which the Russians could withdraw if, as they claim, their action was motivated by concern for their own security. Overtures made by the Soviet Union and its clients since then suggest that Mr Gromyko's rejection of the idea during the visit to Paris is not the last word.

The Community also moved quickly to show that relations with the USSR could not continue on a normal basis while Soviet troops remained in Afghanistan. Following the American decision to limit its trade with the USSR the Commission itself in the first week of January exercised its responsibilities in consultation with Member States, by stopping the food aid programme to Afghanistan, by putting forward proposals for immediate aid to Afghan refugees in Pakistan, and by taking administrative action to ensure that exports of Community agricultural products to the Soviet Union did not replace those stopped by the United States.

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The Council of Ministers confirmed this position within a few weeks and laid down the principle that exports from the Community would not replace either directly or indirectly American supplies of goods to the Soviet Union, but that traditional patterns of trade must be respected. In my view this policy makes our views clear while ensuring that we act in a careful and deliberate way which does not do more harm to ourselves than to the Soviet Union or further exacerbate the debilitating economic difficulties of the West.

I should perhaps add in passing that I am glad to see that most Community Governments (and indeed the European Parliament) took a firm stand against participation in the Olympic Games, an event which is clearly being designed by the Soviet Union as a festival of national self-congratulation. I regret that many British and other European sports organisations have declared their intention to participate and thereby to assist the Soviet Union in persuading its population and its allies of its international respectability. To claim that the Olympic Games, which are the greatest publicity event of the modern world, can represent an oasis of peaceful co-operation while Soviet tanks roll into Afghanistan, suggests a remarkable detachment from the real world.

As far as Iran is concerned the Community also provided a forum for determining a European response to what was, and remains, an affront to civilized international relationships. The Community has sought to observe three principles: solidarity with our ally, the United States, pressures to secure the release of the hostages, and containment of the crisis. A combination of diplomatic efforts and sanctions have therefore been agreed on including reduction of diplomatic staff in Tehran and Iranian diplomatic staff in Community capitals, reintroduction of a visa requirement for Iranian nationals travelling to Community countries, a ban on the sale or export of arms or defence-related equipment to Iran, and a ban on the conclusion of any new export or services contracts with persons or organisations in Iran. This is a common position of some substance and, despite the problems that have occurred over retroactivity, is being implemented by all Member States.

It is worth reminding ourselves that what makes the European Community a real Community is more than geographical proximity or common material interests. It is our sense of common values, above all our common pursuit of freedom and peace. A belief in the value of the individual lies at the heart of our European civilization and gives it much of its strength and moral purpose.

In the post-war years, when a new Europe was being constructed out of the rubble of the old, the Founding Fathers of the Community - men like Schuman, Monnet and Adenauer - believed that if the leading democratic nations of Europe overcame their old rivalries and entered an entirely new relationship then, in addition to reducing, (or eliminating) the prospect of armed conflict between them, they would also immeasurably strengthen the freedoms and rights which each of them cherished. The safeguarding and enhancement of democratic liberties has from the outset been a major objective of the European Community. That is why we find in the Preamble to the Treaty of Rome, the technical and economic content of which is more widely known, the statement that the contracting States 'wishing to eliminate the barriers which divide Europe' are resolved 'by thus pooling their resources to preserve and strengthen peace and liberty' and call upon 'the other peoples of Europe who share their ideal to join in their efforts'.

It is in that spirit that I hope and believe the Community today can resolve its many difficult problems, and play its part in creating a more stable and democratic world.
