

CHECK AGAINST DELIVERY

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Mr. Chairman, Ladies and Gentlemen:

I am here as the seventh President of the European Commission to make an official visit to the United States. I was reminded of one of my predecessors who paid a visit to the Speaker of the House and spent fifteen minutes explaining the intricacies of the European Community. The Speaker listened with great attention and then remarked "sounds awfully like the Common Market to me." Well, I saw this Speaker on Friday and I am glad to report that he knew the European Commission is based in Brussels.

I come like Paul Revere to tell you of a revolution - a revolution which has as its aim nothing less than the unification of Europe.

A revolution without drums or banners. A revolution so boring, so drowned in jargon, so slow that few can understand it and many of those who do, don't like it.

Yet what is at stake is the creation by the end of this century of some form of European Union. If we succeed we shall have changed the history of Europe and the world. And the echoes will be heard in every American farm and home just as much as in their day the thunder of the guns at Fort Sumter and on the Marne.

So let me tell you today how the adventure is going and what it means for the United States.

There is a European Union partial and imperfect, but a fact of life for the 270 million inhabitants of our 10 member countries.

It exists through the common political institutions that manage the affairs of the Community:

the Commission, the Council of Ministers, the European Court of Justice and for the past two years the directly-elected European Parliament.

It exists through common policies affecting European agriculture, business, industry, labor and consumers. And it exists through the economic and commercial relations we have as a Community with the developing world and with our trading partners in the industrialised world.

Increasingly, too what has been primarily an economic union is assuming more of a political profile as our member states have sought and found cooperation on a number of foreign policy issues.

But we face some major problems. The unemployment rate now stands at 8 percent, the highest since 1930.

On present trends the 8 1/2 million unemployed are likely to reach 10 million in the coming year. What is more, 43 percent of our jobless young people are under the age of 25. The young need hope. If they cannot see hope the consequences can be ugly.

All this - indeed the economic difficulties which have been with us since the oil price explosion of 1973 - have made progress towards closer union far more difficult.

So believing like you in the doctrine of self-help we have set ourselves some major targets for action.

We have to restructure much of our industrial base. I give you one example. European automobile manufacturers are investing 23 billion dollars over the next three years. By European standards this is a lot of money. We have to pursue a more balanced agricultural policy. We have to make sure that our market really is a common market.

And we have to build rapidly on the foundation of the European Monetary System. At the same time we have to develop and promote an employment policy that takes account of the weakest regions and sectors of activity.

In the Commission we have taken the first step toward outlining such a strategy and of presenting it to our member states.

What is required now is nothing less than a political commitment to relaunching the Community. Too much time has been lost, too many opportunities missed, for much more delay to be possible.

As an essential part of that overall strategy we are proposing significant reforms of the Common Agricultural Policy.

We believe that in future farm prices and volume of production should take greater account

of market realities.

Once adopted, our proposals will mean that the Common Agricultural Policy will consume a decreasing proportion of our budgetary resources. They will also mean, I hope, that we shall hear fewer complaints from the United States about the policy and its supposed effects on trade in farm products.

All that is quite a program. But you will say - that deals with the Community's internal problems. Are we outward looking ? A market of 270 million - sure - but is not the Common Market discriminatory and protectionist? The facts tell a different tale. We have the lowest tariffs and fewest obstacles to trade of any major trading bloc. Last year a quarter of American exports - 54 billion dollars - went to the E.C. This is more than three times the figure for 1973. People speak of the terrors

of the Common Agricultural Policy. A quarter of your agricultural exports, worth 9 billion dollars, went to the Community last year, a 16 percent increase on 1979. Last year the Community ran a deficit of 25 billion dollars with the U.S., 7 billion of this was in agriculture.

But the Community is more than just a market. Accounting as we do for nearly a quarter of world trade we play by necessity and by conviction a leading role in the maintenance of the open world trading system. And we do so not in confrontation but in participation with the United States. Together we took the Tokyo Round - the biggest trade negotiations in history - to a successful conclusion two years ago. And it is in this spirit that we need to approach the problems that face us now in the hope that we can together give a new impetus to world trade.

What does all this mean to the United States?

Forty years ago in this town the argument was whether American boys would be sent to fight in foreign wars. Hundreds of thousands of Americans fought and died in Europe in the cause of freedom. But there will be no more European civil wars. The Community has made that impossible.

The Community means a major and growing market for U.S. goods and a major factor in the U.S. standard of living.

And it means more than that. We remember how you helped us when we began our adventure. And you were right.

If in all the turbulence and troubles of our present day economies, the Community did not exist then I can guarantee you that we would be back in the jungle of import duties and restrictions of the 1930's.

And that would have meant fewer jobs for Americans, less money in Americans homes and a chaos in Europe which would have led to ugly political consequences. As it is, the Community stands four-square with the United States in supporting and developing the open world trading system. And the Community also means a partner of growing significance for the U.S. on political issues.

We shall not always agree. It would be unnatural if we did. So we need to talk, to argue, and to consult. But if we approach the problems we face in a spirit not of confrontation but of partnership, the prizes for us and for the whole world will be great.

- Partnership and not confrontation - that is the message I will leave with you today.

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