

Speech of Mr. SPINELLI for the dinner  
arranged by the Confederation of Irish Industries

(Dublin, 15 April, 1971)

I am particularly happy to have been able to come to Ireland for this occasion. Happy for two reasons : first of all everybody from the Continent who has an official reason to go to Ireland is naturally satisfied to see your beautiful country. Secondly, the negotiations for the enlargement of the Community are about to enter into a decisive phase. Before this phase begins, it is extremely useful for everybody involved in these negotiations - and I am one of them - not only to study his files behind a big desk on the top floor of a huge and ugly building but to go and see and hear for himself which are the important problems of the countries wishing to join the European Communities. This does not mean that the Irish Delegation negotiating in Brussels has not put forward its case in a forceful and intelligent manner. On the contrary, I can only congratulate you for the quality of your negotiators and I can assure you that we have to work pretty hard sometimes to live up to their standard. I cannot, for obvious reasons, go in any detailed way into the specific problems of these negotiations. I know that you are well informed by the press about the things happening in Brussels. I will thus limit my remarks to a few problems, which as far as I can see it from Brussels have particularly caught the attention of the Irish public and of Irish industry.

A question which has focussed attention in this country seems to be that of the fate of small-scale industries in a large integrated market. Similar fears as those that are actually voiced in Ireland existed in Member States of the present Community and especially in my own country, Italy, which has been and still is a stronghold of the small-scale family enterprise. Our fears have fortunately proved to be without foundation. The small-scale enterprise has done very well in the Common Market provided that it has taken the necessary steps to gear its organization and its production to the new economic environment. This means specialization, and where specialization already existed to a certain extent it often has to be pushed even further. It also means new concepts of marketing and my advice for Irish small-scale industry would be to start exploring the existing commercial networks within the Community as from tomorrow. In some cases, it also means co-operation, and re-structurization.

The Communities' Institutions are conscious of the enormous economic and social importance of small-scale enterprise and are proposing to take some measures which might help small-scale industries to prosper. We expect, for example, that in the near future, so-called "marriage bureaux" for small- and medium-sized firms will be created, helping all those who see advantages in co-operations or mergers with companies of other countries of the Communities to find the necessary information and advice. We are also considering an information centre for sub-contracting, where small firms could be put into contact with large firms looking for sub-contractors. Needless to say that with three small countries entering the Community the Institutions are bound to accelerate and to intensify their action to solve problems that might arise for small- and medium-sized enterprises.

An apprehension which has been repeatedly expressed by Irish politicians and industrialists is that the absence of a consistent regional policy of the Community will accentuate regional disequilibria, especially in the perspective of progressive freezing of the exchange rates on our way into monetary union. It is true that the Communities' actions in the field of regional policy have up-to-now been rather limited. But the situation is rapidly changing. When on the 9th February of this year the Council laid the foundations of a Europe moving into economic and monetary union, the Governments of the six Member States declared clearly and explicitly that this move implies the necessary structural and regional actions in the framework of a Community policy having at its disposal the necessary means in order to contribute to a balanced development of the Community.

I particularly wish to emphasize this point. It would be a dangerous illusion for everybody to think that the customs union can be preserved and that we can progress towards full economic and monetary union without a Community policy planned to correct the social, structural and regional unbalances which already exist and that might, in some cases, be accentuated by the integration process.

Tackling these problems implies the setting up of an institutional structure capable of deciding efficiently, democratically and in a coherent way the necessary actions at a European level. It also implies that we accept the principle of a financial solidarity of the Community for these actions.

The Community must, in other words, be given the appropriate financial instruments to intervene in the field of social and regional policy. A very important application of this principle has been decided by the Council of Ministers on agricultural policy on 25 March. Programmes for the modernization of agricultural structures which correspond to objectives agreed upon at Community level will be financed by a contribution of 25 %, and in some cases, and for some regions, up to 65 %, by Community funds.

Proposals for the creation of a special fund for regional development have already been put forward to the Council of Ministers. The reformed Social Fund as well as the European Investment Bank can also help to solve regional problems. Nevertheless, this is only a beginning and the full implementation of effective Community instruments in this field will be one of the critical problems of the enlarged Community.

We should not think that only the countries or regions with specific problems of underdevelopment such as Italy or Ireland will have a vital interest in having a regional policy. Regional disequilibria affect not only underdeveloped areas, but also those areas who suffer from too much concentration of investments from excessive urbanization and from the deterioration of the environment.

As this does not mean, of course, that regional planning should be completely run from Brussels. We think that the main initiative should remain with the national Governments and local authorities. In this context, there is no contradiction between the regionalist movement and the European movement. Both are the expression of the willingness to correct the insufficiencies of the centralized national state and to provide for institutional structures which would allow to take the necessary decisions at the level where the problems appear. To achieve this, we have to define in a coherent manner the parameters of action of the European, the national and the regional authorities in order to arrive at a more efficient organization of our democratic system, avoiding an unco-ordinated multiplication of centres of decision all acting without regard for the interests of their neighbours.

This brings me to the final, and most important point : that of the institutional structure of the Community. Our Community is not, as everybody knows, an international organisation of the classical type. Our Institutions take every day decisions which are bounding for the members States and affect directly the welfare of the citizens of the Community.

Decisions of this kind could not be left entirely to traditional intergovernmental negotiations. For this reason the authors of the Treaties of Rome and Paris decided that the gradual set up of the Common Market and the establishment of the Common policies foreseeing by the Treaties, namely the agricultural policy, should be the task of a new original and institutional framework. An independent Commission has the task of expressing the common interest and of making proposals for the common decisions. These proposals are transformed into decisions of the Community through a patient process of negotiation between this European Commission and the Council of Ministers of the Community where the Governments are represented, and who has the power to decide. This system has permitted to set up in the last twelve years the free circulation of goods and workers, the agricultural policy, and a large number of common regulations. However the institutions of the Community should not be judged on the bases of the past but on the perspectives of the future. Institutions which work for a Community of six will need important modifications in a Community of ten. Furthermore one thing is to set up a common market, another thing is to set up an economic and monetary union. This process, with the implications of regional and social policy which I mentioned earlier, will imply a large number of common decisions and substantial transfers of power from national to Community institutions. Finally our States have already decided to start a process of political cooperation in the field of foreign policy.

Everybody can see that the existing institutional structure has two main weaknesses, if we want it to perform all these new tasks.

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On the one hand, it implies a heavy, slow and rather ineffective process of detailed bargaining among national and European civil servants. A Community which needs rapid and effective decisions is in fact unable to produce them. On the other hand, decisions that will increasingly affect the every-day life of our citizens would be taken without any serious form of democratic control.

Everybody knows that a system like this would not work for a long time. That is why many people in the Community have already started a debate about the future of our institutions. President Pompidou of France has spoken about a "European confederation" and has even pronounced the magic word of a "European Government". I don't think that we should loose ourselves in doctrinary debates about words like federation and confederation. Whatever label we choose to adopt, the important thing is to move towards the establishment of a European political authority, independent from the existing Governments, and capable of taking rapid and responsible political decisions. This political authority should be controlled by a Parliament representing the people of our Community. An important evolution like the one I am describing will indeed not be allowed to take place without the consensus of our citizens. That is why the European Parliament should be associated to the process since its beginning. Therefore the purely consultative powers of the European Parliament which exists now should be soon transformed into real powers and the Parliament itself should be directly elected.

I would like to point out in this respect that the need of setting up strong and democratic political institution is of vital importance particularly for the small countries, because a more flexible and democratic system is bound to work at the advantage of those who are weak and to limit the power of those who are too strong.

We should not in fact think in terms of weakening the sovereignty of our countries but in terms of pooling and exercising more effectively a sovereignty which our countries individually are too small to exercise.

All these problems are not matter for the negotiations, but they are not either vague dreams for the future; they are very concrete issues which will be on the agenda of the enlarged Community. The enlarged Community will be indeed an organization rapidly expanding its tasks and that therefore will have to adapt its structures. This will be the great challenge to all of us. I am confident that the national traditions of the Irish people, your well known attachment to freedom and democracy, as well as your specific interests for a more effective community policy, will make your contribution invaluable for the future of our common enterprise.

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