## ADDRESS BY SENATOR GUISEPPE CARON, VICE-PRESIDENT OF THE EEC COMMISSION

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I should like first of all to thank the Comitato dell'Unione Europea in the canton of the Ticino, and in particular M. M. Massimo Pini, cantonal chairman and national vice-chairman of the Swiss Unione Europea, for the great honour they have done me by inviting me as official speaker at this one-day study meeting on problems of European integration. I should like to extend my thanks to the cantonal government and assembly in the Ticino, and to the representative from the Swiss Federal Council who is present today.

This meeting is the second major event of European character organized in Italian speaking Switzerland. Six months ago, an international congress at Bellinzona opened what I hope is to become a long and fruitful series of contacts and meetings at European level between political leaders and leading cultural circles in the Ticino like others already organized in the other cantons.

For me it is always an occasion of great satisfaction to make contact with the actual political and civil life of the Swiss Confederation because in Switzerland I find a model and an example of what I would like to see soon in the six countries of the European Economic Community: a federal union.

Switzerland, with its racial and political characteristics, constitutes a living example of that European diversity which sometimes leads unthinking people to smile ironically at the idea of creating a united Europe; it also proves that this diversity, so far from being a weakness, constitutes a guarantee of effective unity.

Fifteen years ago it was a citizen of this Republic, Denis de Rougement, who stressed this truth before the delegates from sixteen European countries meeting in Geneva. Tired and sore perlexed by the sad heritage of national differences, they were at work - it was then 1947 - on the laborious task of composing and resolving these differences.

The outstanding feature of the federalist spirit, de Rougemont said, is a love of diversity: the basis of the totalitarian spirit is brutal simplicity. "Totalitarianism" - these are the words of the speaker himself - "is simple and rigid like war, like death; federalism is supple and diverse, like peace, like life".

And this very diversity - the hallmark of the social structure of Switzerland - is a feature, too, of the European Economic Community, which I have the honour to represent here today.

On the other hand, the Community has itself speeded up, to a degree no one would have thought possible five years ago, the process of development towards the conditions which will make political unity possible in Europe. And all the people of Western Europe are involved in the quest for unity, the final and difficult ideal which so many have attempted to reach by such a variety of roads.

We are only too well aware that a common approach, essential if unity is to be attained, has not yet been found. Without it our arrangements will not be binding and irreversible, they will be no more real than the systems dreamed of by political philosophers. None the less all efforts in this direction, although they are often made along divergent lines, serve in the long run to clarify ideas. Indeed, the play of argument and counter-argument with the same end in view may sometimes appear to delay a solution, but in fact makes its attainment easier.

My presence here today is essentially in order to make a further contribution to these discussions and I hope that this will really be a discussion to make matters clearer, that we shall have a frank debate between free and equal men, whose intention, starting from different historical positions, is to work towards a common goal, the economic and political strengthening of Europethe whole of Europe. It must, however, be admitted that the particular moment at which it so happens that I am giving this address is not politically speaking of the calmest in the relations between the Community of the Six and Switzerland.

The application which the Swiss Government made to the EEC Council of Ministers last December for negotiations with a view to the association of Switzerland with the Common Market has sparked off a controversy to which it may be useful to bring a little clarity.

It will be no abuse of the hospitality offered by the "Europeans" of the Ticino, but a well-deserved tribute to their respect for truth, if I outline very frankly my ideas on future relations between the Europe of the Six and Switzerland.

Here the opinions and judgements I express are entirely my own, but I believe that in substance at least they are consistent with the thinking of the other members of the EEC Commission.

Gentlemen, democratic and neutral Switzerland, with all the invaluable heritage of its long history, has not hesitated to join those countries wishing to establish links with the Common Market. To me, as representative of this going concern, falls the task, I might say the duty, of explaining in unambiguous terms the historic vocation and the political future of the area that has been called "little Europe".

On several occasions I have already said, and I say it again today with the same conviction, that towards the end of the fifties the Europe of the Six was the only Europe possible, that is to say the only really possible experiment in supranational integration at European level.

With permission, I should like to touch briefly on certain events from the very recent past which seem - such is the speed with which the happenings of the last five years have been overtaking us - to be drawn from the history of a different age.

When the Six decided in 1957 to extend to the entire field of trade the process of economic integration embarked on by the ECSC in the coal and steel sector and to back this move with a harmonization programme and arrangements for common policies, they run into lively opposition.

And yet it must have been obvious to all that the method of inter-State consultationin the Council of Europe was not leading to European unification. It was plain enough that, although unification was one of its essential objectives, the EEC would never, either in the short or in the long run, have attained it.

In 1950 the idea of the ECSC spotlighted a line of thinking midway between the extreme arguments of those who wanted federal union at once and of those who were content to start with inter-State cooperation. It was the functional approach and it proved the more fruitful

We must remember that this approach served, through the creation of a Community in one sector armed with limited but real supranational powers, to take us beyond the stage of mere co-operation between States, which by its very nature lacked all dynamism.

Great Britain's refusal at the time to take part in the venture made it clear to everyone that it was the six countries which would have to go forward together and exploit the dynamism immanent in the development of the coal and steel pool. I recall with deep gratitude the attitude adopted at that time by the President of the Consultative Assembly of the Council of Europe, Paul-Henri Spaak, in face of the intransigence of the United Kingdom and of other European countries. At a memorable session, M. Speak resigned from this high office.

In a speech that I think may rightly be called historic, and which I had the privilege of hearing on the spot, the resigning President declared that: "the alternative for Europe was simple: either to line up with Great Britain and abandon the idea of creating Eruope, or else to attempt to make Europe without Great Britain. He had chosen the second alternative, despite the risks and the dangers it involved, because he believed that all things considered, the risks were less serious, these dangers smaller than those that would face them if they gave up and did nothing."

History has shown that the risks taken and the hazards faced then and in successive years by the six countries of "little Europe" were not braved in vain and that it really was worthwhile to act despite the opposition of the non-member European countries, after the <u>débacle</u> following the failure of the EDC, and to press forward along the road we had chosen.

Gentlemen, you well remember how often the Six were accused, from the very beginning of the negotiations, from 1956 onwards, of wishing to set up a solf-centred organ of discrimination, of working for the division of Europe.

And yet, the two basic documents of international trade, the General Agroement on Tariffs and Trade (Article XXIV) and the OEEC Code of Liberalization (Article 8), approve in advance the step taken by the Six, since they lay down that the only lawful form of discrimination, that is to say the sole exception allowed to the principle of non-discrimination and to the most-favoured-nation clause, is the customs union.

In his speech at Zurich on 24 April 1961, Professor Hallstein defended the legality of the Community and the value of its political and economic dynamism, quoting a sentence from one of the last publications of the League of Nations released before the League gave way to the U.N. Perhaps I may repeat these sentences here, as they seem to foreshadow with prophetic clarity the read chosen a few years later by the Common Market.

"For a customs union to exist it is necessary to allow free movement of goods within the union. For a customs union to be a reality it is necessary to allow free movement of persons. For a customs union to be stable it is necessary to maintain free exchangeability of currency and stable exchange rates within the union ... When there is free movement of goods, persons and capital in any area, diverse economic policies concerned with maintaining economic activity cannot be pursued."

These sentences, as I have said, seem to point to the very path chosen by the Six. Against this choice there was the alternative of a general free trade area, into which the Six would have had to fit themselves, for going all those institutional prerogatives, those special commercial and economic features and political arrangements codified in the Treatics of Rome.

It is true that all this is now past history, since the United Kingdom and other countries, including your own, have gradually come round to acceptance of the idea and principles of the Common Market and to apply for negotiations on ways of joining it.

In order to keep before us the various historical elements of this still unfinished debate it is useful to recall to mind the sharpest divergences of yesterday and to asses in the light of these factors the chances of growing together in a way which will not alter too rapidly the geo-economic and political structure of Europe.

In the second half of 1960 what I might call the Common Merket's growing pains began.

This was when England began drawing closer to us till a year later it asked to open negotiations for full membership, whereupon Denmark and Ireland did the same. This was also the period at which the President of the French Republic made his first public statements on the need to construct institutions and instruments of political co-operation while the process of economic integration was going on.

General de Gaulle's proposals, in their earliest version, and as subsequently modified and re-formulated, would mean an arrangement for political union based once and for all on confederal foundations, that is to say on co-operation between sovereign states.

Against this proposal there is that of the "federalists", who do not wish to take, as ultimate political goal in the process of integration now set in motion by the Treaties of Rome, a type of union which would leave the old national rights intact and would confine itself to co-operation, i.e. standing arrangements for collaboration between governments.

To call a halt at this point would undermine a principle which is essential to the proper working of the Treaties of Rome: the principle of supra-nationality conferred on integrated institutions armed with real powers.

You yourself, I know, are well aware that from certain points of view the European Economic Community, as a result of the development of the Common Market, is already the embryo of a political union of the federal type. We would do well, however, to take out bearings provisionally at a position based not on the Europe of our dreams, but on the Europe which it is actually possible to obtain. Provided always that the Europe which results from this compromise shall not become the ultimate goal but shall remain what it ought to be, the bridge leading to federal union, just as the Swiss Confederation of 1803 - 48 was the bridge which led to the present constitutional structure of the Republic in which I have the honour and the pleasure of addressing you today.

The outlook, for the political growth of the economic Europe being built by the Six, and particularly the forms the present Europe will take, are closely linked with the possibilities of extending the Community. And this brings me after a long but necessary preamble to the core of my argument.

The United Kingdom is now negotiating full membership: other European countries are awaiting their turn to begin negotiations with the same aim in view.

Last December three neutral countries applied to open negotiations with a view to association with the EEC.

It is at this point that my task would become unduly burdensome if I did not resist the temptation to be less than frank and to indulge in dialectical contentions that would certainly collect no bouquets from so well-informed an audience.

But the argument becomes more simple and discussion easier if we bear in mind the fact that it is not for me to find here today a solution to the problem of Swiss relations with the EEC.

All I am required to do is to help in more thorough discussion of the complex questions raised by the desire expressed by the Swiss authorities to establish a link with the Common Market area.

The type of link chosen by Switzerland is that provided for in Article 238 of the Treaty of Rome, namely association. At the same time two other neutral European countries, Austria and Sweden, have submitted similar applications. I think I am right in saying that although the Swiss public understands that the problem of the association of neutral countries cannot be dealt with by the EEC before the negotiations with the United Kingdom have borne fruit, there is some regret in Swiss public opinion that no official reaction from the Community institutions has yet reached the Government of this country. On the other hand, the Swiss press has recorded with some alarm what has seemed to it a tendency on the part of the Community authorities, direct influenced - so it is alleged - by the Government of the United States, to refuse association links with the neutral European countries.

This is an incorrect, or rather over-dramatized explanation, of what are, admittedly, genuine sources of concern for EEC leaders, faced as they are with a problem which is real and which I shall try to put to you in terms as clear as I can make them.

I should like first of all to confirm that the determination repeatedly shown by EEC leaders to make the Common Market an economic area open to all contacts, links and understandings with the outside world is as much as ever an essential part of our policy. The alternatives of full membership and association are not, however, the only possibilities open to non-member countries.

Current practice in international trade acknowledges the use of certain traditional forms of commercial policy embracing bilateral solutions (particularly in the field of customs policy) or multilateral agreements. The latter are constantly used by the ETC in its work under the General Agreement on Tariffs and Trade, and within OECD they will soon become the instrument of a more supple Atlantic economic policy. By means of this instrument the ETC, as the driving force behind the economic progress of Europe, can play its ordained part as a decisive factor in the liberalization of trade throughout the West.

The Community of the Six is therefore vitally involved in the economic development of the western world, no longer as an area enjoying American aid and rich only in needs to be satisfied, but in its new capacity as an economic power of the first order, a heavyweight in the delicate balance between the two great blocs in this world.

But before delving into the core of the matter, I should like to outline the main aspects of present conditions of coexistence between East and West, and in doing so to draw together and explain the functions of the various factors which go to make up the equilibrium of Europe.

We are living in a phase of transition which has cast into the melting pot all those historical and political institutions and concepts which up to a few years ago seemed valid for all time.

The cleavage between East and West, which in the last analysis has been the only real and constant historical and economic element in our times, has itself undergone in recent years changes that baffle the idle onlooker and lead to directly conflicting reactions and interpretations and conclusions from statesmen and commentators.

The distinctions and divisions into separate categories which set the pattern of world coexistence from 1947 onwards, when the birth of the Cominform put the seal, so to speak, on the collapse of the Russo-Western alliance - these remain valid in theory.

But in practice and in reality there has been at work for some time an irresistible force which has wrought deep changes in the balance between the powers. In some cases there has been unification, in others differentiation and divergence. The offensive of active neutralism from the so-called "uncommitted" countries has been accompanied, in both the Eastern and the Western bloc, by shifts in internal relations which deserve the closest consideration.

The rift between China and Russia, over which the journalists have allowed their imaginations to run riot, is certainly less important than certain commentators have thought. It would be madness to allow vain hopes on this subject to blind one to the facts. None the less, the internal quarrel within the Communist bloc deserves attention.

After the many political explanations given for the quarrel, which reached the headlines in a dramatic way at the XXIInd Congress of the Soviet Communist Party, I should like to make an attempt at one that will fit in to the general framework of what I have to say here today.

Mao Tse Tung's China, a market with 600 million consumers, is pursuing along fairly orthodox Leninist lines the objective of socialist industrialization. It has reached today, broadly speaking, the level of Soviet Russia in 1933/34, and the ruling class in China is now using a system of brainwashing and subtle psychological coercion to mobilize public opinion in such a way as to maintain a high annual rate of expansion.

Soviet aid, which in past years had been vital, has been accepted with steadily growing distaste by the Chinese who, mindful of their past colonial and semi-colonial bondage, see in Russian intervention an attempt at domination, and they prefer the terrible sacrifices involved in "going it alone".

"Going it alone" means provisional isolation of China from the Comecon (the Council for mutual economic aid among the Communist countries). But when Communist China has completed its feverish process of development, it will undoubtedly decide to put in hand a progressive process of economic integration with Soviet Russia. Steady improvements in its industrial structure, its transport requirements and the complementary nature of China's and Russia's economies will all make this a "sine qua non".

Any other forecasts, and notably the apocalyptic notion of an eventual battle to the last man between the West and Russia on one side and China on the other, seem to me mere figments of the imagination: I shall not venture and judgement on the complex and partly secret rocts of the ideological conflict between Communism as the Russians see it and as it is understood by the Chinese. But I maintain that economic integration between Russia and China will sooner or later become one of the factors in world equilibrium, related as it will also be, to a necessary and inevitable division of labour within the Eastern world. Another factor will, I am sure, lead to this integration: the need to face up to the economic integration of the Western world.

It is therefore reasonable to conclude that, failing absolute disaster, that is to say an atomic war taking us back to the stone age, economic competition will be carried on between two systems and two worlds: the Communist world and that of the free and democratic West.

The road towards this phase of development in international relations is disputed in the two camps with differences of opinion that sometimes go very deep. But the countries of the West, whether they expect that the world will settle down on the basis of competitive coexistence, or whether they work on the awful assumption that atomic conflict is inevitable, are bound together in a common destiny.

These prospects, for which there is no precedent in the European system and the balance of world power before the last war throws all traditional arrangements completely out of joint. I think that even my listeners here will not consider neutrality as an absolute doctrine. Neutrality is normally the result of a political decision determined by practical political circumstances.

Neutrality is usually defined as the position taken up in time of war by a state not engaged in hostilities. Vis-à-vis the belligerents, the normal right of peace is replaced by the right of neutrality, based on the principle that the neutral party shall abstain from any form of warlike aid to the belligerents. This was the situation of Switzerland in a Europe torn by national rivalries and struggles, of which the last war was the tragic epilogu.

This situation would seem today to be a thing of the past, gone, let us hope, forever.

European integration, launched by the Six and now being sincerely pursued by other European countries, has as its ultimate the aim/final assurance of peace in Europe.

I know how sensitive Swiss public opinion is on this point, and I recognize and I understand the great store the Swiss citizen sets by his country's neutrality. Neutral Switzerland, particularly in the last twenty years, when Western Europe had fallen a victi and a prey to the enemies of liberty, had been an island of democracy and a symbol of progesss in Europe.

But no Swiss citizen can today contend that conditions are stitue, or could in the near future be such, that Switzerland will have to defend itself by neutrality against a threat stemming from the countries of Western Europe. Such a contention would run counter to the Swiss people's traditional common sense. This Confederation's leaders have repeatedly affirmed their will to link Switzerland closely with the development of this Europe which is merging into the Common Market. This itself is a token of how fir is the conviction of the Swiss people that their future is now irrevocably bound up with the fate of the bloc of countries surrouring them.

In the face of what have seemed unenthusiastic reactions from the EEC this conviction has been strong enough to engender a sort of offensive by the Swiss press and in particular by the Neue Zürcher Zeitung, which in an article published on 13 April of this year, went so far as to claim the moral right of the swiss to association with the Common Market, in view of the possibility that Switzerland might find itself opposed by the combined forces of the EEC and the United States.

Let me assure you that Thitzerland's feeling that it is part of Europe cannot but be welcomed. Allow me, however, to add some reflections on the way in which it will be possible and advisable to link up the EEC with the Swiss Confederation. Switzerland has chosen the form of association under Article 238 of the Treaty of Rome. Many people see in this Article of the Treaty a sort of special device for the benefit of those European countries which after the Treaty had come into force, would have liked to join the original core of the EEC on the basis of mutual obligations and special arrangements short of full membership.

I am bound to say that, although there is no official doctrine on this point, the existing example of Greece and the analogy with the institution of association between the EEC and the overseas countries, settled by a special convention, do suggest certain limits as to the countries that can be associated with the Europe of the Six. An association agreement with the EEC can take various forms, ranging from a simple customs union to an agreement on economic cooperation. The example of the agreement with Greece has been referred to as an association with a view to eventual membership, that is to say as an agreement concerning a European country likely as such to reach, through the development of its economic structure,

a point where it will have attained the conditions needed for membership. In this case association, it is hoped, will itself serve to carry forward the development of Greece to the point which must be reached. The assumption is made, as it were, with an eye to the future. It offers us, however, a practical yardstick whose validity can be confirmed if we compare Article 238 of the Treaty of Rome with Article 237.

Article 237, which fixes the conditions for membership of the ECC, states that "Any European State may apply to become a member of the Community".

Article 238, which fixes the conditions for association, does not set any geographical limits, but has sofar been applied within Europe only to a country still in the process of development. A country which is highly developed has every reason to invoke Article 237, i.e. to take on full membership.

What I am saying does not mean that I am recommending the immedation of Swiss neutrality on the altar of the Common Market. I am expressing the opinion that whatever the form chosen by the Swiss Confederation to establish links with the ELC, the choice will essettially and inevitably involve a political commitment.

For association requires the setting up of specific institutions. These are distinct from those of the Community, but/bind, economically and therefore politically the future of the associated country, in a more supple manner than that involved in full membership, but none the less, in my opinion, in a way which is be binding and irreversible.

A link of this kind would not, however, be created through a commercial agreement. But many leaders of Swiss opinion are wondering, and rightly so, whether a commercial agreement with the EEC

would not constitute a relationship falling short in various ways of what is needed, given the Swiss Confederation's close economic links with the Common Market countries.

Kennedy's programme for the world-wide liberalization of trade might well turn out tomorrow to be advantageous to Switzerland as well: this programme, if it led to a series of reductions in the EEC tariff and in the American tariff, would, by the machanism of the most-favoured-nation clause, work in favour of the European countries outside the Common Larket.

But Switzerland, some argue, does not measure its relations with the BEC solly in terms of conomic interest. Switzerland feels itself part and parcel of Testern Europe, of its heritage and of its destiny. It is for this reason that I feel that Switzerland and its position in Europe must be judged differently from those of other countries.

to the peaceful future of Western Europe, a country such as Austria finds itself today in somewhat different circumst nees.

Austria is not so much <u>neutral</u> as <u>neutralized</u>, that is to say its political circumstances with respect to the day-to-day balance of political power are si ilar to those of Switzerland in the European set-up of 1315.

Sweden, apart from the fact that it is an outlying country, with a special internal organization is liable, because of its geographical position, to suffer more than most other countries from any change in the Soviet attitude.

Switzerland, however, lies at the heart of the Europe of the Six and is linked by a common heritage with these six countries which, after centuries of conflict, have now become the embryo of a single political unit. It is therefore reasonable to hope that the relations between switzerland and the Common Market will whatever the form chose, go beyond what is covered by a commercial agreement and economic links.

In saying this I am basing myself on the facts, facts which are inducing the more responsible leaders of the Swiss Confederation to build up, regardless of any legal and diplomatic difficulties, relations with the Six.

What we are faced with is an "elective affinity" stronger than any written agreement. Is it to lead on to negotiations, controversy, agreement? There is no compelling reason to hurry matters and neither of the two parties has anything to gain from over-hasty arrangements. Negotiations and written agreements must be preceded by unhurried discussions, such as are already being held, between persons of liberal outlook pursuing by different means the same essential aims of peace, justice and well-being. Recently, at the ninth Round Table on European problems organized in Strasbourg, the Swiss Ambassaddr in Paris, M. Soldati, found noble words to describe the position of Switzerland at the present crisis in European affairs. I should like to repeat them here.

The Swiss Confederation, said M. Soldati, is not thrust towards the EEC for reasons of economic utility: it is well known that experts nowadays are much more a matter of market prospecting and research that cuts in customs tariffs. But Switzerland feels that there are many valid reasons outside the economic sphere.

This assessment of the situation has my full support because by bringing out the political content of the relationship which Switzerland wishes to institute with the EEC it shows admirable understanding of the ultimate aim of out economic integration, which is political unity. Ambassador Soldati added, in his speech in Strasbourg, that he did not believe that Swiss neutrality could be an obstacle, since it did not create a military vacuum in Europe.

Gentlemen, I have faith in the irresistible momentum of the process which has in the last ten years created an economically integrated Europe; this integration is, not, I believe, an end in itself, but must eventually lead to the attainment of political unity.

I am opposed to the tendencies, to be seen in the French plan for a union of states, to confer on European political institutions defence responsibilities of their own to be exercised independently of the Atlantic pact, for if the West had to defend itself from a threat which could only come from the East, its defensive measures would have to be taken through a united action at NATO level, without tactical distinctions and divisions which would undermine the defensive structure of the West. If ever the moment came, I am certain that, quite apart from any estimates as to the extent to which an atomic conflict would cause destruction, the place of Switzerland would naturally be at the side of the West, as the peoples of Switzerland form an active part of this West.

Assuming, and let us hope that we can do more than assume, that a conflict between the two blocs is avoided, and that humanity is able to move on towards those forms of competitive coexistence, I believe that Swiss neutrality will also evolve and sooner or later become one of the factors in the unifying progress of Europe.

Europe has to be built: whilst we are at it, let us make a good job of it.

Hurried makeshift solutions will mortgage our future. When we have to implement final historic decisions, it is wise and proper to take time over the discussions, to weigh up the pros and cons.

That is why I said that I had not come to Locarno to make sensational declarations. I came to submit to the attention of such a well-informed audience a number of considerations which were partly personal and partly a reflection of my official position as a Vice-President of the European Economic Community.

This has been a welcome opportunity for me to show how much I am in sympathy with your activities. For a federalist like me it is always a pleasure to attend a meeting of "Europeans". The fact that this meeting has taken place, as it has today, on Swiss soil gives it greater significance since, as I said at the beginning, Switzerland remains for everyone of us the model of what we should like the Europe of tomorrow, the Europe of our children, to be: a federal pact between different peoples, irrevocably joined together in the pursuit of liberty, peace and progress.

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