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ADDRESS BY THE PRESIDENT OF THE COUNCIL OF MINISTERS OF THE
ITALIAN REPUBLIC, THE HONOURABLE BETTINO CRAXI, PRESIDENT-IN-OFFICE
OF THE EUROPEAN COUNCIL TO THE EUROPEAN PARLIAMENT

Strasbourg, 17 April 1985

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Mr President, Honourable Members of the European Parliament,
Ladies and Gentlemen,

I regard it as a great privilege to address this Assembly, which is the voice of the peoples of our countries representing as they do both great reality and great hope: for a European Community growing and intent on growing still further in its search for greater sense of identity and greater cohesion.

This meeting of the European Parliament takes place shortly after the Brussels European Council whose proceedings marked the very important and constructive conclusion of a particular situation in the life of the Community, when the Community's dynamism appeared to have burned out in a morass of petty interests and internecine quarrels.

Finally, at the Fontainebleau Council, agreement was reached on a package of measures, adoption of which would enable solid foundations to be laid for the future construction of the Community.

These measures have in turn been translated into concrete decisions and Minister ANDREOTTI and I are pleased to be able to inform you in the name of the Council that, with your support and encouragement, the ground is now cleared of the many obstacles hindering progress towards the great and real objectives of Europe.

When I had the pleasure of being host to President PFLIMLIN last December in Rome I told him in substance that, in its programme, the Italian Presidency intended to ensure continuity with the work already accomplished, to make it fully effective to take initiatives to enable the favourable conditions and premisses to hand to come to fruition.

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Among the objectives to be achieved, I mentioned as priorities the signing of the Treaties of Accession, progress with new policies and an improvement in the functioning of the Institutions; as regards action to be taken, I expressed the hope that during the period of the Italian Presidency an overall strategy could be launched to combat unemployment, and the preparatory phase for commencing negotiations on the European Union might be completed.

Spain and Portugal are now about to cross the threshold of the Community: they will do so, we hope, on 1 January 1986. Protracted negotiations lasting eight years have finally been concluded. With the accession of the two Iberian countries, Europe will be given fresh impetus to play the active role on the world political stage which history, but not history alone, ascribes to it. Spain and Portugal will be able to make a major contribution since they are countries with ancient traditions and a great commitment to democracy, linked with overseas regions by bonds of history and a common language and culture.

The Europe of Twelve will require even greater efforts of mediation to avoid increasing the disparities and divisions within the Community. The Mediterranean dimension will grow stronger but that should be understood as an extension of the presence and the role of Europe in the world; such extension will eventually be to the advantage of all since it seems to me that the objectives of a Community of 320 million people, representative of the oldest and most prolific of the world's cultures, bringing together peoples among the most advanced in regard to civilization, science and prosperity cannot but be major objectives, of world significance, which we will be able to pursue with increasing hope of success the more we succeed in making the wider Community area cohesive, balanced and united.

The approval of the IMPs, on which this Parliament rightly laid emphasis, is a highly significant example of the gesture of solidarity necessary to reduce North-South imbalances. Without a more equal distribution of burdens and advantages, it is difficult to imagine the development of the Community venture. A redistribution of financial resources, based on criteria of solidarity, is very often nothing other than a measure to compensate for the extent to which the member countries derive benefit from the integration of the market.

We must work to ensure that all the Member States feel they are participating in the same political objective, that they are involved in the same project. No major objective is possible without the conviction that its realization is, in concrete terms, in the common interest. It is incumbent on us to seek and identify the true basis for the balanced participation of all the forces in European society so that the process of unification can be advanced.

In Brussels we discussed at length the economic and social situation in the Community, a feature of which is still the unacceptably high level of unemployment at over 10% which is in sharp contrast with the prosperity of our nations and undermines the credibility of our system in the eyes of all the other countries of the world. We have defined guidelines with a view to economic growth such as may create new jobs. I should like to make a few remarks on this subject.

In the first place, Europe can and must do more to sustain its own growth process, to make it less vulnerable to external influences and more stable in time.

The completion of the internal market is undoubtedly a vital instrument if the multiplying role of national efforts is to be achieved. The Community must exploit the potential of its enormous market and it will have to set about it with diligence if it is to be achieved by 1992 as suggested by the Parliament and by the President of the Commission, Mr Delors.

Another basic instrument will be the intensification of the technological base. The Community falls behind the other major industrial democracies in the technological field, and yet the Ten Countries of the European Community spend in total 20% of world expenditure on scientific research, a percentage which is half-way between the United States (27% of the total) and Japan (17%).

Unfortunately, the research in the Ten is greatly fragmented leading inevitably to duplication and overlapping of programmes, double investment, a lack of co-ordination and a consequent waste of manpower and capital. The level of resources spent either directly or indirectly by the Community as such is paltry: 1,5% of the European total.

Technological change is one of the main factors for giving impetus to progress in advanced economies and societies. In the present phase of major economic changes it is impossible to forego programmes to bring production up to date, since such programmes make the recovery of productivity and competitiveness possible in the international markets. But nor is it possible to accept a deterioration in the employment situation always as the other side of the coin of new technology. This then is an important task for the Community: how to reconcile industrial innovation with the protection of employment. It is something we must tackle as a matter of urgency.

For we have evidence that in other countries e.g. in the United States and Japan technological changes and the creation of jobs are not incompatible objectives. It is true that high-technology industries do not create much employment but the impact of innovation can be measured above all in the maintenance of the level of competitiveness of what we may call the established industries. And this is made possible thanks precisely to the processes of modernization and adaptation.

However, it is difficult to accept the thesis that, to resolve the problem, it is enough to assimilate the prescriptions which succeeded in other countries. We welcome advice when it is wise and reasonable and we also know how to draw useful lessons from the experiences of others.

The industrialized democracies share the same principles with regard to economic pluralism and the free market, but each of our countries has its own socio-economic reality, rooted in its own culture and historical traditions. Our endeavours must be to seek to harmonize these realities by accentuating the European identity, but we must not imagine that we can choose one type of reality and impose it on all the others.

For reasons to do with the values of social and human solidarity which it expresses and protects we cannot relinquish the European development model. We must improve the way it operates, make the labour market, for example, more flexible and better able to adjust to the constant evolution of the productive process and the changing international context.

We will have to find within the Community the means and resources if we are to succeed in combating unemployment. We will have to work out within the Community specific additional measures to reinforce the impact of the strategy for economic development and the expansion of the productive base. At the European Council in Brussels, we instructed the Commission to submit proposals as soon as possible aimed at adapting working conditions to the new phase of technological and economic development and to prepare an analysis of the possibilities of using the Social Fund to promote innovatory model schemes which can be used and promoted in the employment area, and to offer a valid response to the employment problems of certain disadvantaged social categories.

But action on a vaster scale should, I think, be launched within the year to achieve substantial and decisive progress in the creation of a European Social Area. The work programme of the President of the Commission, Mr Delors, sets out interesting proposals and I am confident that the Council will be able to translate these into guidelines and directives. I am thinking in particular of the adaptation of working time and vocational training and mobility in connection with the introduction of new technology, industrial and productive redevelopment, and the completion of the programme for equal treatment between men and women - with the three Directives already being examined by the Council and which will hopefully be adopted before next June.

I think that - in this International Youth Year - I should express full approval for the Commission's presentation of a communication for an integrated policy for those young people who are hardest hit by the problem of unemployment.

President Delors did well, at the beginning of his term of office, to encourage the relaunching of the social dialogue which must now be given the opportunity for tangible action. The European Parliament in Strasbourg did well to devote in the last few days a wide-ranging debate to the youth unemployment problem, from which emerged interesting information and proposals which should be examined carefully and in detail by the relevant Community authorities.

But if the protection and promotion of levels of employment are to be effective and durable, it is vital that the general economic situation be improved. Since the recovery which is to hand needs to be strengthened and sustained. Other elements of uncertainty and instability remain, some extraneous to the Community system, which can only be countered by means of closer internal Community cohesion.

Over the last two years significant, positive results have been achieved in the European Community along the road to economic convergence. Rates of inflation have been reduced and the balance of payments situation has improved for all the EEC countries.

This has not happened to the same extent in the various member countries. Some countries have achieved remarkable levels of stability and consequently have a greater margin for manoeuvre in supporting demand. While they have achieved considerable success in streamlining the economy other countries have still to follow a more prudent course to preclude a recurrence of the phenomenon of inflation. This is why, in the face of disparate economic trends, we are among those who favour a comprehensive recovery programme based on differentiated policies: more expansive policies for countries with a high level of stability,

more prudent ones for countries where the balance of payments deficit is relatively high and where levels of inflation are somewhat higher. I believe that controlled acceleration of the real growth rate would be in the common interest to restore the dynamism to production and trade from which all the member countries will derive equal benefit. Each of them will have to take its fair share of the responsibility for setting guidelines which are consistent and compatible with the general objectives.

There is also need for greater co-operation in the monetary sector. The wide fluctuations which are a present feature of the dollar, resulting in instability in the exchange markets, make more pressing the need for consolidation of the European Monetary System and the controlled extension of both the official and private role of the ECU. Hitherto the EMS has performed a steadying function in exchange relations and has facilitated the development of international trade. Concrete measures to strengthen the "ECU" have now been defined and will be formally approved within the next few weeks. It is our hope that new steps to strengthen the EMS can be adopted between now and June at the Ecofin Council.

The objective should be to improve measures to defend European currencies by stemming the negative influences deriving from external factors.

A structure of European interest rates unaffected by the tendency in the United States to rising interest rates would represent a highly important factor in creating more autonomous development in the economies of the Community. "More autonomous development" is certainly not the same thing as "self-sufficient or independent development". There is no question therefore of arriving

at separation of the various international markets, especially at a moment such as this when the bonds of interdependence are increasingly stronger and more necessary. Nor can we be indifferent to the persistence of external factors which have a negative influence on the prospects for economic growth in Europe.

The best way forward is along the lines, therefore, of greater and more effective co-operation, particularly between the most highly industrialized countries with the aim of ensuring the conditions for the most general and durable global economic development possible.

In this context I believe, therefore, that we should welcome the suggestion for a monetary conference of industrialized countries. It is a suggestion which takes account of a move advocated time and again by the European countries and by the Community in particular. We should now define together the main lines of such a meeting and in close co-operation to devote attention to preparing for it since from it will emerge clear and effective replies to a need which we increasingly perceive, namely that of ensuring greater stability in currency markets without neglecting the need for a greater degree of order in the international financial system.

Following the significant progress achieved by the March Council in combating air pollution caused by exhaust gases from motor vehicles, we can look forward with renewed confidence to implementing a genuine overall and balanced environmental protection policy, which itself can contribute to the creation of new employment. To

underline the importance, and rightly in my opinion, attaching to such an objective, the European Council decided that 1987 will be designated "European Environment Year".

A more united Europe should resist the temptation to look only to its own advantage; it should widen its frontiers of action and be prepared to honour the principles of solidarity enshrined in the Treaties.

We must know how to reply to the expectations of those who are looking to us: not only the citizens of Europe with their ever-new wishes but also those peoples who are defending the most elementary of rights, the right to life; peoples now oppressed by underdevelopment, hunger and malnutrition which turn their gaze towards Europe for greater assurances on their future.

Efforts have been made in the past to combat the scourge of hunger and malnutrition. We have had occasion to discuss it many times, taking account of the urgency and the serious concern expressed by the European Parliament at its March part-session which was brought to my notice personally by President PFLIMLIN. We noted with satisfaction the gratifying response to the European appeal. The contributions from many friendly countries, primarily the United States of America, enabled us to attain the objectives we had set ourselves to cope with the immediate requirements in Africa where the problem of hunger was most acute on account of the famine and drought.

With regard to aid, there is a problem of particular relevance - which did not pass unnoticed by this Parliament or by the European Council in Strasbourg. It concerns access to emergency aid and the system for distributing such aid.

Thought will have to be given to developing new stratagems and innovatory mechanisms capable of utilizing the transport and distribution structures so that the aid with the necessary guarantees to the recipient countries, reaches its legitimate destination, the peoples afflicted, in the form, way and manner and at the time dictated by their needs and not by the convenience of the donors.

We are hoping that Mr Natali's fact-finding mission will provide a picture of the real situation throughout the sub-Sahara countries, and in particular those where infrastructure is lacking, so as to have the necessary information to improve further the effectiveness of the Community's action, and to come to an agreement on the distinction between provisions and other emergency goods. On the basis of the results of the mission, the Commission will submit a report to the European Council in Milan which will enable the necessary guidelines to be set down for supplementing short-term aid and creating the most logical relationship between aid and structural measures for assistance aimed at improving the degree of self-sufficiency in food.

Because of its structure and its economy, Europe can only prosper in a climate of free trade and safety in international relations. Europe seeks peace and dialogue and offers its genuine collaboration in promoting development in the world.

The conclusion of the third Lomé Convention, which binds the Community in close relationship with 65 States of Africa, the Caribbean and the Pacific; the useful understandings with the ASEAN countries and India, the new agreement which the Ten are about to conclude with China in May, the new Mediterranean policy which should

lead to a qualitative change in the direction of more active collaboration with the countries in this area, are among the most outstanding of the measures for peace and friendship which the Community has developed and intends to continue developing in order to construct a better world. Part of this plan must be the strengthening of relations between the EEC and the countries of Latin America which share the values of our civilisation and which are now committed to making a relentless thrust towards the democratization of the entire sub-continent.

It was my pleasure to attend the great popular festival with which Uruguay celebrated its return to freedom. Before Uruguay it had been the turn of Argentina, and after Uruguay, Brazil. Powerful forces are working in those countries to extend and complete the democratization process. In Chile, a civilized people, with ancient democratic traditions, is clamouring for a return to a state of law and free elections. It is an aspiration which is worthy of the support of all democratic forces and to which we cannot remain insensitive.

We will also have to pay similar attention to those countries where the democratic system, restored at last, needs to be consolidated. We must ward off the risk of worsening economic difficulties eroding the social consensus on which the renewed democratic institutions are based thus reopening the return of the troubled chapters of authoritarian rule.

In Central America too Europe must also make its own political and economic contribution to the process of peace by supporting the mediation efforts of the Contadora Group, and assisting in the socio-economic development of the entire area. Following the gratifying success of the San José Conference,

the political dialogue between European and Central American countries should be made more formal and negotiating directives should be passed without delay for co-operation agreements which would testify to our support for measures to overcome all unacceptable forms of inequality which are the real focal points of crisis and instability.

The European Community has always sought to keep open all channels of East-West dialogue and has never ceased to urge constructive negotiations for balanced and verifiable disarmament measures and for a stable organization of peace through security. Now that the negotiations have resumed we know that the work done was not futile: but we also know that it is not finished. We shall continue therefore to follow with the greatest attention developments in the various phases of the negotiations to encourage their ultimate objective, a substantial reduction in strategic and intermediate nuclear weapons and the prevention of a new arms race in other sectors including space.

The success of the Geneva talks will depend to a large extent on our ability to establish increased understanding and trust between East and West. In the past we have made overtures to the East, and we have also tried to offer concrete evidence of our resolve to reinforce our exchanges between us so as to bring out the points which, despite the diversity of our socio-political systems, define and qualify where our interests converge. Now there is a new leadership in the Soviet Union and I think I can detect in the SUCP General Secretary, Michael Gorbachev, an openness to maintaining and stimulating a more constructive dialogue. I hope I am not mistaken, but for the time being I would not undervalue or disregard such openness which should rather be encouraged by balanced attitudes.

The Europe of the Ten is prepared for its part to strengthen the co-operation agreements with the Eastern European countries on the basis of joint advantage and reciprocal respect and to look for new forms of dialogue capable of improving stability and restoring a genuine process of détente.

There is one region, the Middle East, which, more than any other, is torn by tensions and conflicts and where the need for peaceful initiatives is therefore more pressing. At the European Council in Brussels we examined with concern the development of events in this region. The will emerged that every effort should be made to support any negotiating move towards a process of peace.

As regards the Arab-Israeli crisis, I have, on the explicit instructions of the Heads of State or of Government of the European Community, declared Europe's support for the movement under way to seek a negotiated and peaceful settlement to this long-standing conflict. I expressed appreciation for the Jordano-Palestinian agreement signed on 11 March in Amman which introduces new elements into the negotiating process.

I voiced Europe's desire to assist and encourage all those who are progressing towards an equitable settlement based on mutual respect for the rights of all the parties involved, frequently reiterated by the Ten and first stated in the Venice declaration. Firstly, the right of all States to existence and security and the right of the Palestinian people to self-determination, with the concomitant principle, also so often repeated, of involving the PLO in the peace negotiations.

Without deluding ourselves about the difficulties, and in some cases, the contradictions which remain, it would be well to point to the satisfactory direction taken by new elements including the ideas put forward by President Mubarak - as well as to the hopes they raise for openings towards a broader dialogue, which should involve all the interested parties and which the Ten support and encourage in the hope of being able to facilitate a reconciliation of the various positions.

Other situations of conflict in the world cause great concern and require our attention. I refer to the sterile and bloody conflict in the Gulf. This is a tragedy which has been going on for years and pages of intolerable violence are still being written. The Ten have addressed constant, pressing appeals to induce the parties to come to a complete cessation of hostilities and with the launching of negotiations for a definitive political settlement of the conflict in accordance with international law and the United Nations' resolutions.

Our thoughts still turn towards Lebanon, a country tormented by cruel internal struggles which preclude that major national reconciliation which the international community would be prepared to support with a plan for the rebuilding of the country.

We also discussed in Brussels the growing tension in South Africa which is a cause for concern. The position of the Ten has been consistently firm in condemning the violence which the system of racial segregation has fanned, and in pressing urgently for an overall dialogue aimed at making substantial reforms designed to achieve equality for all citizens.

Only from greater unity and a higher degree of cohesion will Europe be able to derive the authority to discharge its role as a political force active on the international stage, and as a factor for development, progress and stability. The new Europe cannot be simply the result of an institutional engineering operation. European Union is certainly a political design which meets a profound aspiration of the peoples and nations of our continent, but at the same time it must be able to perform the great task of mediation - mediation between present and future interests, between expectations and needs. From the real problems, from the replies to the requests from the member countries there is no escape. The existing Treaties offer great scope for action to this end which we have been able to turn to good account but which we have not yet been able to complete. We should now do so pursuing all the guidelines aimed at a more far-reaching integration of our economies and markets. Our task is to design still further the convergence of economic results, to create new areas of action particularly where the future of the Community is at stake - strengthening the competitiveness of European industry by giving it a genuine and broad technological basis - and to encourage the development of initiatives already launched. Other spheres of activity should be expanded and developed, and here I am thinking of co-operation in the field of law and legislation and above all of the cultural component, on which our manner of acting and sense of identification as Europeans is based.

The attempt to increase European political co-operation, the efforts to harmonize the positions of the Ten, and soon of the Twelve, can be summed up in one specific objective, the search for an external identity which is not to compromise the

traditional roles of the Member States but should, on the contrary, give them increased credibility and greater incisiveness as parts of a more harmonious and united whole.

This was the reason why at Fontainebleau we adverted to the need to associate in the construction of Europe the greatest possible number of the active forces in European society, proposing new and more ambitious objectives to improve the understanding and significance of the European idea and its image with the citizens by means of acts which are symbolic of the values of unity of Europe. The two committees set up at Fontainebleau have fulfilled these needs.

The first, on institutional questions, has been exploring an approach towards a gradual transformation of the Community into a genuine political entity with its own institutional order, its own financial autonomy and a greater range of powers. An entity therefore which assumes the shape of a more united European Union, stronger in its own values and actions.

The second, on a People's Europe, has been striving and is continuing to strive for the abolition of border controls, and for other important initiatives connected with the special rights of citizens, education, culture, information and law.

As regards the unification process, the European Parliament must be credited in the first place with having drawn the attention of the national governments and parliaments to the need to renew the Community institutions.

The DOOGE Committee report is essentially a political synthesis of the draft Treaty adopted on 14 February 1984 by this Parliament by a large majority. This is a further demonstration of the balance, the wisdom, and, may I say, the far-sightedness of the important document produced by the Strasbourg Parliament. But I believe that if we want to express proper appreciation of the European Parliament's initiative then we have to agree that its special merit was to restore impetus and vigour to an examination which until then had been marked by uncertainty, reticence and certain misgivings.

Now we can note with satisfaction that a process of reflection has been set in train, that a logical, coherent and committed discussion is taking place in the various Community institutions, a discussion which even today has been given a new impetus on the basis of the report prepared by the Committee on Institutional Affairs. The guidelines set out in the report were considered with interest and the proposals will be examined in greater detail in the coming months in a series of bilateral contacts at the highest political level.

There are a number of important questions to which we have to respond. The objective of institutional reform is not proposed as an alternative to the completion of the Treaties. We believe these are two complementary objectives which can be pursued simultaneously since they correspond to different objectives and requirements. The Treaties of Rome and Paris provided fertile ground for action. They constitute the institutional foundation and framework for achieving unprecedented progress towards gradual integration and economic convergence.

However, we are living today in a different historical context from that in which the founding fathers of Europe traced the plan for the Community edifice. From a Community of Six we have moved in succession to a Community of Nine, then of Ten and now to a Community of Twelve. New areas were revealed as essential to strengthen the cohesion of the Community and to broaden its solidarity. We have paid increasing attention to these areas and we think the time has now come to include them in the Community method, to make them, in other words, integral and essential parts of our common action.

Europe is now required to meet difficult challenges, has an increasing obligation to safeguard and reinforce its role in the world. The European Community must provide itself with adequate means and above all with effective Institutions, which are both functional and highly representative, and capable of giving voice to the widest possible involvement of the active forces in European society. Furthermore, we cannot fail to note how our experience in recent times has revealed gaps and deficiencies which have been mirrored in the overall operation of the Community. The decision-making process has become more cumbersome, causing delays and impeding the process of Community integration.

That is why we must strive for efficient Institutions which are more able to respond to the demands of a Community of Twelve, to the specific requirements related thereto, to the new priority objectives of the unification process. Thought must be given to the various Institutions: the role of the European Council and the strategic role it should assume and its task of political

direction; the Council of the EEC, with particular reference to its decision-making powers which must be strengthened; the Commission, to ensure that it has the authority and independence which its duties require. But effectiveness can never be separated from the increasing democratization of the entire European system which we are in the process of building. And who better than the European Parliament, elected by universal suffrage and therefore the mouthpiece of the sovereign will of the people, can ensure such democratization? It would be quite unacceptable that in a movement towards European unity, in which national parliaments would lose part of their political control and related powers, no thought was given to the machinery which would ensure a simultaneous transfer of duties and powers to the European Parliament.

We must be aware to this, we must bear it in mind when we think of the proper institutional balance which should govern the implementation of the complex task which confronts us: a Europe united and free, democratic and strong.

Mr Presidents, Honourable Members,

Europe has made much progress and will make more. If one were to attempt to appraise, stage by stage, the enormous work that has been done, and the major objectives that we are still setting ourselves today, that we may all achieve greater prosperity and equality, enjoy a vaster education and better civic sense, and indeed that we communicate these values to the world, one would have to enquire what lofty ideal, what extraordinary motive has moved this great power for progress and civilisation, has made possible these goals in so few years, so very few years when compared with the millenia in our countries' histories, histories so diverse and often indeed so contrasted.

I believe that this powerful impetus for the idea of a united Europe is the consent which the plan for European construction receives from our peoples. You are the direct representatives of those peoples, freely chosen in free elections. This consent must be paid back to our nations in concrete achievements. Let us not disappoint their expectations. We know that the most lofty ideals require daily, patient and persistent work if they are to survive and flourish, and, from time to time, to transform utopian dreams into reality. You are the link between the consent of the people and the authorities of Europe. Take pride in your role and deploy the power which you derive from the mandate entrusted to you, and Europe is bound to attain her most ambitious goals.