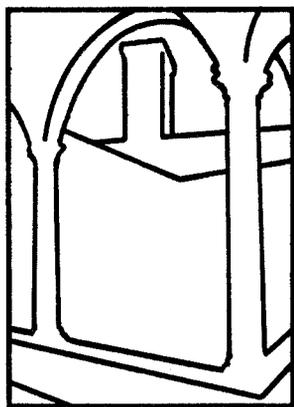


Third Jean Monnet Lecture

by Professor Ralf Dahrendorf
Director of the London School of Economics

A Third Europe?

Florence, 26 November 1979



European University Institute

Available in English only

INTRODUCTORY REMARKS BY MR KOHNSTAMM,
PRINCIPAL OF THE EUROPEAN UNIVERSITY INSTI-
TUTE, AT THE THIRD JEAN MONNET LECTURE,
26 NOVEMBER 1979

I have the pleasure and the honour to introduce to you Professor Dahrendorf, who will tonight be delivering the third Jean Monnet Lecture. Professor Dahrendorf does not need any introduction in university circles, but since today we have many friends from Florence, let me just remind you that he studied in Hamburg, and was a post-graduate student at the London School of Economics, of which he is now the director. One of the problems of our Institute is a lack of mobility in Europe – but Professor Dahrendorf is a most distinguished example of how one can go from academe into politics and from politics back into academe. After having taught in several German Universities, most recently in Konstanz, he became Parliamentary Secretary in the Foreign Office of the German Federal Republic, then became a member of the European Commission where he was in charge of its external relations. After having flown around the world several times in this function and having had too little time to think and to write, he decided that it was time to go back to academe and agreed to become the first non-British director of the London School of Economics. His publications are numerous; it would even take too much time to mention all the languages into which

his publications have been translated. Let me only say that, even before the present opening of China, one of his books had been translated into Chinese. Before I now ask Professor Dahrendorf to speak to us, let me add that he has not only published books on many sociological, political and general subjects under his own name, but also written, while he was a Member of the European Commission, a series of articles under the name « Wieland Europa », articles concerning the institutions of the European Community, the matter which he is going to discuss with us tonight.

These articles were unorthodox, and they caused quite a storm in Brussels when they came out! We are very interested in hearing what he has to say to us tonight – and knowing Professor Dahrendorf I can assure you already that what he has to say will again not be orthodox!

Last year, when the then President of the European Parliament, Signor Emilio Colombo, gave the second Jean Monnet Lecture, we sent Jean Monnet our feelings of deep gratitude for what he did for Europe. As we all know, in the early spring of this year Monsieur Jean Monnet unfortunately died. I am sure I am fulfilling a wish of all of you in sending the following telegram to his widow, Madame Silvia Monnet:

« Aujourd'hui le Professeur Ralf Dahrendorf, ancien Membre de la Commission des Communautés Européennes et actuellement Directeur de la London School of Economics, prononcera la troisième Conférence Jean Monnet. Nous pensons avec la plus grande gratitude à l'oeuvre créatrice de Monsieur Jean Monnet, oeuvre qui pour nous tous à l'Institut Universitaire Européen reste une source constante d'inspiration ».

Tonight we remember the man who has given his name to these lectures devoted to the problems of Europe.

May I now ask Professor Dahrendorf to speak to us about « A Third Europe? » We are very happy that you agreed to address us tonight!

TELEGRAM SENT TO MRS SILVIA MONNET
ON 26 NOVEMBER 1979

Today Professor Ralf Dahrendorf, former member of the Commission of the European Communities and present Director of the London School of Economics, will be giving the third Jean Monnet Lecture. We shall be thinking with the deepest gratitude of the creative work of Jean Monnet, which remains for all of us at the European University Institute a constant source of inspiration.

Max Kohnstamm

PROFESSOR RALF DAHRENDORF
A THIRD EUROPE?

Jean Monnet Lecture delivered at the European University Institute, Florence, Italy, on 26 November 1979, at 6 p.m.

A Third Europe?

The invitation to deliver the 1979 Jean Monnet Lecture here at one of the living testimonies of the vitality of the European idea, the European University Institute, fills me with gratitude to those who invited me, with humility in the face of the greatness of the man whom it commemorates, and with the desire to offer a personal word of explanation about the reasons why the ideas of the founding fathers of a united Europe and those of my friends and perhaps my own generation differ so much. Such a personal remark must not be misunderstood; it is not my own experience that matters, but the question of how Europe appears in the light of the experience of those separated by two generations from that of Jean Monnet, of Winston Churchill, of Schuman, De Gasperi, Spaak, and Adenauer.

It is probably correct to say that these founders and others alongside them were above all motivated by the deep desire never to see a repetition of those horrible three decades from 1914 to 1945 in Europe. They wanted to make sure that here in Europe, or at any rate in the free part of Europe, countries and peoples became linked in ways which made them feel at one in all essentials. Their Europe was above all a Europe without civil war, and they have succeeded in creating it. We have had by now, at least in this part of the world, more than three decades of peace.

I myself, and many of my generation, understand these motives of the founders and respect them profoundly; moreover, we reap the fruits of their success with a deep sense of obligation.

Then there were the founding sons, as it were, those who were somewhat younger than the sexagenarians of 1945, but joined or followed them in order to bring about the reality of the dreams of Monnet, or of Churchill in his famous Zürich speech of 1946. I have had the privilege of knowing some of them, including Walter Hallstein, Sicco Mansholt, Edward Heath, Raymond Barre. These are very different men, but they were all motivated by the desire to realize the European dream in practical terms, and given the prevailing theme of the 1950s and 1960s, this meant above all in economic terms. They had their disappointments. Hallstein's conflict with De Gaulle left its scars on him and on Europe's institutions. Mansholt's agricultural policy never lived up to his own ideals. Heath's desire to lead Britain into Europe succeeded and yet left important questions unresolved. Barre's notion of economic and monetary union failed and survived at the same time. On balance, however, these men and others with them have created the First and the Second Europe of which I shall speak – a solid construction which is today an important part of the politics of nations and of peoples. Again, there should be no doubt about my respect and admiration for the sons of the founding fathers. Yet what they have created is fraught with question marks as we go into the colder climate of the 1980s. Indeed, today, it raises as many questions as it has answered.

What then is the Europeanism of my own generation? In part, it is a natural feeling of belonging, of being at home in this Continent (even including some of its outlying islands). I may have been particularly fortunate, but I do not think that my conclusions are unusual. As a student after 1946, I travelled widely, and grew to like Holland and Denmark (my family comes from Anglia, thus from one of those focal centres of Europe, in this case of Germany, Denmark and the Anglo-Saxon world), I fell in love with Italy. In the early 1950s I spent two years in England, at the London School

of Economics. From there, I went for three years to the University of the Saarland – then still the Université de la Sarre; indeed during the referendum campaign of 1955, I set up, with others, a liberal party which favoured the Europeanization of the Saar, though not its then leaders. A decade later, I went to Brussels as a Commissioner, where, in my last period in office, my area of responsibility included services in both Brussels and Luxemburg. Then, as you know, I went back to Britain. And if I have not mentioned Ireland, or Greece – or indeed the European democracies which for one reason or another have not applied for membership – no one should read any sinister meaning into the omissions: Europe, in all the vagueness of the geographical, not to say geopolitical notion, is a reality of the existence of many people today. It is our home. There is a sense of citizenship which extends beyond traditional boundaries, even if immigration officials are still a little perplexed when those who work in European institutions produce European passports, and customs officials when they see « EUR » number plates on cars.

Thus there is no doubt in my mind that European Union, that unique blend of co-operation and integration, is the obvious expression of what has come to be a fact. But – and this is a crucial caveat – this is not the whole story. The meaning of the Third Europe (to which my analysis in this lecture will be devoted) is neither primarily one of the end of civil war, nor even that of the nitty-gritty of prosperity by creating a wider common market. It is emphatically not the desire of some of the founding fathers to create another superpower either; to have as much decentralization as possible and only as much centralization as necessary, is a prescription for a humane society to which many, including myself, would subscribe today. Europe is not simply an ideal either, a dream to live for; despite the strong sense of linkage which goes with the experience of belonging, there is nothing wrong, indeed there is everthing right about building political pro-

gress on interest rather than dream. The meaning of the Third Europe, as it corresponds to the experience of a new generation of Europeans, is rather in two things: one is the irrelevance of borders for solving problems, and the other is the need for common decisions where there are genuine common interests. Thus there must be no limits to cooperation across this great Continent of ours, and there must be a framework for taking decisions in areas in which no local community, region or nation is the appropriate political space.

If we survey the history of European co-operation and integration since the war from this point of view, the conclusion which suggests itself is ambivalent, not to say contradictory: *European union has been a remarkable political success, but an equally remarkable institutional failure.* So far as the substance of European co-operation is concerned, we have gone a long way forward; so far as the framework for taking common decisions is concerned, we have locked ourselves into procedures and institutions which at times do more damage than good. Unless we get the relationship between the two, that is between political progress and institutional foot-dragging right, we may yet fail to live up to the needs and interests of the peoples of Europe.

Lest there be any doubt about our substantive, or, in the wider sense, political progress, let me remind you of some obvious, yet notable facts. There is no other region in the world in which contacts between political leaders are as frequent, candid, intensive, and volutarily co-operative as in Europe. In foreign policy, there has been a remarkable process of *rapprochement*, backed up by the co-operation of representatives of the Community in the capitals and at the seats of international organizations all over the world. The Euro-Group of NATO has become increasingly important. In development aid, the balance between national competition and European co-operation with respect to developing countries has shifted somewhat towards the latter. In the energy field,

there is still much beggaring of neighbours, including environmentally indefensible nuclear developments in border areas, but there is also growing understanding of the need to co-operate. Central bankers, while they meet a mile or so away from Community borders in Basle, have developed a rapport which is already affecting attitudes to money supply policies, to inflation in general, as well as to economic policy. Indeed, if one looks at national economic policies, a growing degree of parallelism becomes evident. Outside these obvious areas, there are others, often technical or scientific, about which a lecture of its own could be given. (Lord Flowers has recently done so in describing the emergence and success of the European Science Foundation which he leads.) Trade within the common market, tourism within Europe, academic arrangements between European universities, the European University Institute itself (though alas! not yet the European « Brookings »!), to say nothing of the three European competitions in football, others in other sports, in entertainment, in the arts leave no doubt at all about the fact that Europe is real.

It is, to be sure, a strange kind of reality. « Now you see it, now you don't » one is tempted to say with a sigh. Perhaps we should not blame those from other parts of the world, and notably from America, whose exasperation leads them to conclude at times that Europe does not exist after all: there it negotiates, as one unit, a GATT agreement, but cannot sign it because some member states insist that they, and not the negotiators, are the true signatories. More difficult still: there are countries in the heart of Europe, Switzerland, Austria, Scandinavian countries, which belong to Europe and yet do not join some of its institutions, to say nothing of those in Eastern Europe who rightly insist that they too are Europeans, though they are not a part of any of the co-operative ventures beyond those set up by the Conference on Security and Co-operation *in Europe*. But however widespread the sneaking doubt whether Europe is after all a mere mirage may be let me state

firmly and unambiguously: in fact, if not in institutional practice, Europe is today a powerful reality both for its citizens and in its relations with the world outside. Whoever ignores it, will soon realize its existence and strength. The political success of European co-operation seems to me undeniable.

However, it is not matched by similar institutional success. Indeed, the reason why some believe that there is no such thing as Europe after all, is the dismal failure of its institutional ventures. If I use strong language to describe such failure, this is not meant to criticize those who have given the European construction their thought, energy and enthusiasm. They deserve the respect and appreciation of all Europeans. But unless one exposes failures clearly, we are not likely to get anywhere. And the contradiction between political success and institutional failure has become explosive; in connection with the budget of the European Community and its Common Agricultural Policy it may yet threaten the European construction itself.

In surveying briefly the institutional history of post-war Europe, let me leave the early history of institutional experiments on one side. Some plans died at the moment of their conception, others through abortion by parliamentary operations; except for historians they are of little interest today. There are however four sets of institutional development which need to be looked at, some briefly, others in somewhat greater detail.

First, there is what was once the Organization of European Economic Co-operation. It was built around the Marshall Plan and served a useful purpose in that connection. This implied of course the involvement of the United States from the outset. It was therefore no accident that once the Marshall Plan had accomplished much of what it was intended to do (at least in some countries), the organization was transformed into the Club of the Rich. As such, it continues to serve useful functions. It has been said that it is the most serious inter-

national organization insofar as policy-oriented research is concerned; moreover, it provides a forum for co-ordinating policies, especially in the economic field. But of course the Organization of Economic Co-operation and Development is no longer in any sense an instrument of European integration.

Then there is the Council of Europe. It too has certain characteristic and unique functions. Its membership is more comprehensive than that of the European Community, and notably includes the neutral countries of democratic Europe. The European Convention of Human Rights may have its weaknesses, but it is important. Having to withdraw from the Council was a serious setback for the Greek colonels in 1969. A similar problem may yet arise with respect to Malta. No country likes to be condemned by the European Human Rights Commission. Lord Scarman's suggestion that the Convention should be read into British law as a new Bill of Rights testifies to its power. In addition, there are certain Council of Europe activities in the cultural field which have left their imprint; here and there, one notes the effects of the European Architectural Heritage Year, or even of recommendations by « CCC », the Committee on Cultural Co-operation (even though it has failed to facilitate mobility recently). But on balance, it is hard to avoid the conclusion that the Council of Europe has settled down to a static second-rateness in limited areas of concern.

This, then, takes us, thirdly, to the European Community. Here, a very long story will have to be cut very short. Perhaps it is useful to begin by recalling that the Community was in many ways a child of embarrassment. Some always hoped that it would become, or even was, the political union which it was not meant to be (and they were not all Germans); other never intended it to be more than a customs union with a few frills (and they were not all French). Clearly, neither its three constituent parts, nor the European Communities as united in 1967, ever faintly resembled all the institutions

of a united Europe with the Commission as the great motor and quasi-government, the Council as its inter-governmental check and ultimate decision-maker, and the Assembly ... well, whoever reads the treaties carefully is bound to conclude that parliament never had much of a place in the construction; of all the embarrassments it was, and is, the greatest, which may well contribute to its potential strength. But the main point is that the institutions of the European Community were not those of a European political union of democratic countries.

This fact was underlined by the policies of the Communities, notably those of the European Economic Community. In its first twelve years, the EEC had a well-defined, important function, which was the creation of a customs union in the widest sense of the term. Within this political objective, the Commission could play its part both by implementing decisions and by pressing for an acceleration of the process. It could also try, at times successfully, to add rudiments of new policies by describing them as part of a full-blown customs union. It is important to remember that the Common Agricultural Policy had its origin in this context. The argument was that in areas in which there was no market in the member states, but instead a government policy, the only way to bring about a common market was to adopt a common policy. This applied to agriculture; though in effect the CAP came to serve a number of other, partly unstated purposes as well (to which we shall return presently).

By 1970, or more precisely, by the time of the Hague Summit of December 1969, this first phase of the development of the European Community came to an end. The Summit was dominated by the triptych which the French had christened: *achèvement, élargissement, approfondissement*. *Achèvement* meant of course the completion of the customs union; it was an essentially technical and short-term objective, attained when the market regulation for wine was adopted in the spring of 1970. *Elargissement* was a more difficult objective,

but one which had little relevance to the substantive development of the Community. Necessary as it may have been – and inevitable as it may once again be today – the enlargement of the Community has not contributed, and could not contribute to strengthening its internal cohesion. All hope was therefore pinned on the third wing of the triptych, *approfondissement*. At the Hague, and in the 18 months following it, this was interpreted as the programme for Economic and Monetary Union, to be achieved within a decade, and by steps which in the various reports and resolutions at least, looked much like those that had led to the creation of the customs union a decade before. There is no need to describe in detail the dismal failure of the Community's attempt to impose its own ill-thought-out calendar of economic and monetary union on a recalcitrant reality. Despite later attempts to save it, the beginning of floating in the early summer of 1971, only a few weeks after the first decision for closer monetary co-operation within the EEC, killed the idea of full economic and monetary union for many years to come.

Since that time, the European Communities in the strict sense of the Treaties have drifted into increasing irrelevance. In the absence of clear and overriding political purpose, the Commission has been floundering, at worst serving as a secretariat to the Council, at best inventing essentially arbitrary projects of progress which rarely went very far. The Council of Ministers has become largely technical. It has complicated an already virtually incomprehensible agricultural policy to the point at which this is little more than an instrument for Ministers of Agriculture to get for their farmers in Brussels and in the name of Europe what they would not get at their national Cabinet tables. In most other areas Council meetings are no more important – and often less pleasant – than those within the framework of OECD or the Council of Europe. And the Assembly, even though it is now directly elected, remains an insult to true democracy, a travelling circus which

can neither initiate nor prevent policies outside very circumscribed areas. The Communities are faced not with crises – organizations which can generate crises have retained their importance– but with irrelevance.

This is an overstatement, to be sure. For one thing, there is still one major crisis which the Communities can produce and to which we shall turn presently. For another, there are certain policies, notably in the field of development and to some extent in the active development of the customs union and in foreign trade, in which the European Communities have retained some momentum. But beyond these, all progress in European co-operation has come from a fourth set of institutions. It has its own logic that they have also grown out of the Hague summit. For a time, they were associated with the name of the then permanent head of the Belgian Foreign Office, Vicomte Davignon. Since then, they have led to a new set of quasi-institutions. They include the European Council of heads of government as well as corresponding meetings of foreign ministers and their political directors. They also include, equally importantly, the European Monetary System, the birth of which owes much to my distinguished predecessor as Monnet Lecturer here, Roy Jenkins. It is important to realize that these new developments are not strictly Community institutions at all. Strictly speaking, summits cannot take decisions which are legally binding on the Community; the EMS does not even include all members of the Community, but is a piece of an *Europe à la carte*. Indeed, these new forms of intergovernmental co-operation were a response to the fact that the European Communities as such seemed to have reached the end of their tether. Because the Community got increasingly entangled in technicalities which had little to do with either the political concerns of members or even the European interest, new ways had to be found. Insofar as any decisions of relevance for the future of Europe have been taken in recent years, they have emerged from these

new intergovernmental arrangements rather than from the stale world of the Treaty of Rome.

This is not to say that the European Council will solve the problems of Europe's future. There may be a case at this point for turning to a topical issue which will undoubtedly remain on the agenda beyond the European Council meeting in Dublin on 30 November. The issue is in fact a telling example of the contradictions between the political interests of European union and the technical absurdities of existing institutions. I am of course referring to Britain's demand for a « broad balance » in net benefits from the Community budget, and to the implications of the demand.

The facts are clear enough. Given the system in which the European Community collects its « own resources », given further the peculiar position of Britain with respect to agricultural imports and intra-Community trade, given thirdly the prevalence of expenditure for agriculture in the Community's budget, Britain will inevitably become the largest net contributor to the budget by 1981. Estimates vary depending on different assumptions, but there is no dispute that Britain and Germany will be the only large-scale net contributors after 1980. At the same time, Britain's GNP is considerably below the Community average. What is more, Britain has paid for its membership by higher food prices than it would otherwise have had, and arguably by greater import pressure from other Community members.

There is a degree of agreement even on the interpretation of these facts. The policy of the British government is to express its commitment to the Community – which is appreciated – to assure its partners that it does not propose to break the law – which is more than can be said of some others, though it remains to be seen what exactly the British Government has in mind – and to demand a « broad balance » of contributions and benefits. It will be for politicians to try and find out how much room for manoeuvre the notion

of « broad balance » allows; at first sight, it certainly does not seem unreasonable.

Yet – and this is the reason for my raising this particular issue – given the technical structure of Community policies, and the mixture of institutional inertia and vested interest which upholds it, it is virtually impossible to see how Britain's understandable demands can be met. There are in fact only two ways of achieving the objective. One would be to increase the Community Budget by a considerable amount, such as 50 per cent, and thus make policies possible from which Britain would benefit more than others. This will not happen; indeed Britain itself will argue against any expansion of Community expenditure. The other is to slaughter the sacred cow and take at least some of the automaticity out of either the income or the expenditure side of agricultural trade and production. This would require a truly fundamental change, in which the three incompatible functions of agricultural prices – to determine the income of farmers, to influence levels of production, and to provide external protection – are at last dissociated. Perhaps not enough thought has been given to the details of such changes; but even if it had, it is clear that at this point of time, they will not happen, however many politicians may privately confess to be in favour of such changes. Nor is France the only culprit in this game; Germany and some of the smaller members bear the same responsibility.

Some would like to dismiss this issue as secondary; they regard the sums at stake as « peanuts »; they point out that Britain is paying the price for entering late, or that it should develop its agriculture, or increase its intra-Community trade; they refer to attempts by the Commission to stretch existing adjustment procedures in order to go some way towards meeting Britain's demand for a « broad balance ». Important as all these matters may be, they miss the central point: there is a genuine desire for political co-operation, even for Euro-

pean union, all over Europe – but the institutions in which the European Community has locked us prevent us from expressing this desire. The technical tangle of Community policies tends to jeopardize rather than promote unification. The tangle has to be broken, or else the objective of European union itself is in danger. To say that we have to start again in order to build Europe would be wrong; there is much in the *acquis communautaire* which is worth preserving. But what we need is more than mere adjustments and reformlets; we need a fundamental reappraisal, and one which must have three main ingredients in order to succeed. The *first* of these is a sober assessment of the European interest. It is only natural that such an assessment should begin with foreign policy. To some extent the first steps of European co-operation and integration were certainly conditioned by the Soviet threat as perceived in the Cold War period. The threat has not disappeared, but insofar as the European interest is concerned, another relationship has increasingly come to the fore, that is, the uneasy partnership with the United States. For some time now – perhaps since 15 August 1971 – it has been clear that despite NATO, and perhaps even including NATO, the free world has to rest on two, if not three pillars. Europe's objectives may be similar to those of the United States insofar as the preservation of freedom is concerned; but the fact that Europe is not a superpower gives it a special ability to establish and maintain relations which serve to keep peace by agreement where the superpowers can only do so by domination. Many attempts have been made to define the transition from a senior partner/junior partner relationship to one of presumed equality between Europe and America; they have not really helped crystallize the new partnership. Yet, France has always been right in insisting that a self-confident and yet friendly definition of European-American relations is at the very heart of the process of European union.

A second set of common interests has to do with the issue

of development. It is indirectly connected also with the fact that Europe is not a superpower; for it is by virtue of this fact that we can hope to be in a position to offer assistance without threats, co-operation without dependence. The Community has done rather well in this respect, though much remains to be done. Some of the early theories of development have turned out to be false. Aid is not necessarily the most appropriate method of assistance, nor should we delude ourselves so far as the assumption is concerned that the creation of indigenous elites will eventually lead to the trickling-down of wealth, education, and other opportunities. As we re-think some of the assumptions of our own socio-economic existence, we should think again about the poor countries too. In doing so, we will surely discover that national competition for the favours of the poor is ridiculous, not to say shameful, and that Europe has a crucial role to play in setting up a more considered relationship.

A third area of common interest again arises from the fact that Europe is unlike the superpowers. We do not have the resources to maintain our prosperity, let alone develop it. Europe, like Japan, is dependent on peaceful and unfettered relations between countries, and on the international rules and institutions which guarantee them. European protectionism in GATT, or even without GATT, is a costly luxury. A narrow-minded policy of national self-sufficiency with respect to energy supplies is equally dangerous. The Community has not yet moved very far in defining common policies in the field of energy and of resources in general; but it is easy to see that Europe should, and that this is one of the main items on the agenda of European union in the years to come.

A fourth area of common interest is different in kind; indeed some may be disappointed by the manner in which I describe it. There are certain rules which, in an ideal world, should be world-wide; in some cases they were world-wide

until the storms of the early 1970s destroyed them. Among these, rules governing the monetary system figure prominently; the same is true for trade, and may well come to be true for the operation of transnational companies and other aspects of international economic relations. In the absence of world rules, Europe may have to try and establish its own rules, not as an objective in itself, but as a step in the right direction. A World Monetary System would be preferable to a European Monetary System, but in the absence of the former, a zone of stability in Europe is not only highly desirable, but imperative. There are other areas where Europe has to take a regional lead, but make sure that this is understood as a contribution to wider international action rather than as inward-looking action which in the end creates new obstacles rather than removing those which exist already.

It would be possible to go on listing common European interests, though few others would be of similar importance. But however long this list becomes, agricultural policy would not – or, to be exact, would no longer – figure in it. I am convinced that European union would not collapse if the Common Agricultural Policy collapsed. It had its place to cushion a massive migration from agriculture to industry. It may have served to balance French and German economic interests. It may even have been desirable in order to diminish the dependence of Europe on imports of foodstuffs. But today, it has achieved all this. I have yet to see one single reason why a Common Agricultural Policy is indispensable today in order to advance the European construction.

This however leads me to the *second* main ingredient of a reappraisal of European policies which is necessary. I have often been struck by the prevailing view in Community circles that the worst that can happen is any movement towards what is called an *Europe à la carte*. This is not only somewhat odd for someone who likes to make his own choices, but also illustrates that strange puritanism, not to

say masochism which underlies much of Community action: Europe has to hurt in order to be good. Any measure that does not hurt at least some members of the European Community is (in this view) probably wrong. In any case it is regarded as unthinkable that one should ever allow those members of the Community who want to go along with certain policies to do so, and those who are not interested to stay out. The European interest (it is said) is either general or it does not exist.

I believe that at this stage of European union, such a view is not only wrong, but in fact an obstacle to further European integration. To be sure, certain decisions have to be common. But even they should be decisions: a budget which is automatically fed and automatically spent is a monstrosity; it must be possible for politicians to set ceilings, discuss priorities and thus express interests. A customs union requires a common commitment; though it does not require measures of harmonization the economic importance of which is marginal while the psychological damage is considerable. Above and beyond a short list of common and genuinely political decisions, however, there is wide scope for action *à la carte*, and more often than not such action will in the end lead to common policies. The European Monetary System is an example; its comparative success exerts a considerable magnetic force on those who are not members. In the field of foreign policy, similar, though less visible developments have taken place. Perhaps, the answer to the impasse of the Common Agricultural Policy is to turn at least some of its aspects into *à la carte* decisions, binding for and financed by those who are interested in them. Hill farming was a good beginning in this respect; other areas of agricultural policy will, one hopes, have to follow once the Common Fund explodes the ceiling of the Community's own resources. The general point however seems to me of the utmost importance: *Europe à la carte*, that is common policies where there are common inter-

ests without any constraint on those who cannot, at a given point of time, join them, must become the rule rather than the exception, if European union is not to get stuck in a mixture of incomprehensible technicalities, systematic cheating on the part of some, demands for exceptions which destroy overly complex systems, and a sense of frustration and misery all around.

The *third* ingredient of a reappraisal which seems to me imperative has to do with institutions, and concerns the Commission. At the time of this lecture, the Three Wise Men have only just reported; not having seen their report, I cannot comment on their suggestions. The point which I want to make is that the present position – and as a consequence composition – of the Commission of the European Communities has become an obstacle to European union rather than a motor of progress. This has nothing to do with individuals and the efforts which they put into their work; in this respect, the Commissions of recent years have shown an improvement rather than a deterioration. The much-praised Hallstein Commission operated after all within a clearly defined framework of political objectives – and a framework not defined by the Commission itself. Its influence was in reminding member states of their own commitments, not in devising new policies and persuading members to adopt them. The Commission had its well-defined but circumscribed place in the First Europe, the years until the Hague Summit of 1969. But as the Community ran out of its sense of purpose, the Commission was bound to run out of steam. Despite the fact that of the Commission of which I had the honour to be a member, one is today a Head of State, one a Prime Minister, two are Foreign Ministers, two others are prominent members of governments, the Commission is not, and could not be a political institution: its subjects of concern may have been, and continue to be political; but in the absence of a political base, it was, and continues to be an unhappy administration suspended in mid-

air between political pressures which do not reach it and political decisions which it cannot reach. The Commission was meant to be the source of initiative in a Community in which ultimate decisions were taken by the Council of Ministers, and the Assembly was hardly more than an institutional afterthought, a democratic figleaf. But where is the Commission going to take its initiatives from? Why should its members be privileged to introduce their private whims and fancies into Community policies? They are not, of course, and as a result the Commission becomes partly a broker between member states, partly a somewhat soft-spoken European conscience, and partly a bureaucratic machinery unattached to any transmission belt to decisions.

In my view, the fundamental idea of the Treaty of Rome is not wrong. An institutionalized dialectic of European and national interest is necessary; it also makes sense to give the right of initiative to the European element in this exchange, and the right of decision to the assembled national interest. What was wrong about the Treaty of Rome, and continues to vitiate European progress, is that while the Council of Ministers had an obvious basis of legitimacy, the Commission did not. This is closely connected with the bureaucratic approach that characterizes the institutions of the Community throughout, and notably with the fact that the Assembly has no positive function. The obvious way of solving this dilemma is to take the simple, yet apparently infinitely complicated step to have the Commission elected by Parliament. Unless and until that happens, neither the Commission nor Parliament will have any significant role to play in the European construction; indeed the irrelevance of the institutions of the Community will grow. There are of course many arguments against a Commission through which Parliament actually sits at the Council table; they range from fear of Commission power to fear of political one-sidedness, to say nothing of the general reluctance to change any article of the Treaty

of Rome. However, the particular change recommended here is minor; it relates to the method of appointment and thus the responsibility of the Commission and nothing else. At the same time, such a change would give the institutions new life, introduce an element of genuine democracy into the Community, and identify the sources of both initiative and decisions for everyone to see.

I do not suggest these ideas with any hope of immediate success, or even of change in the medium term. Indeed, it is conceivable that the irrelevance of the European Community is already so far advanced that a totally new beginning will be necessary to make progress. But I would argue that the three ingredients of a reappraisal of Europe which I have suggested – emphasis on the European interest, readiness to accept an Europe *à la carte*, political legitimacy for the Commission – are sufficiently close to recent developments to make some sense. For (to return to the initial personal statements) the time has come to bridge the gap between Europe's political progress and its institutional failure. The only way in which this can be done is by fundamental changes. The First Europe was in itself plausible. Its political objectives may have been limited; they were largely confined to an extended interpretation of a customs union; but under the circumstances they were both important and realistic. The institutions which were set up to implement these objectives were adequate to the task. Until 1970, the story of European integration is one of the successful combination of political intentions and institutional instruments.

The decade which has passed since then is that of the Second Europe. It presents a picture of confusion and uncertainty. The discovery of reality by the European Community – the discovery that its calendar cannot be imposed on the real world with impunity – has dented the institutions.

In a sense, Community institutions and policies have gone their own increasingly irrelevant ways. At the same time,

political progress was made in numerous other ways. The European Council and other arrangements under the Davignon formula, the European Monetary System and many less visible but equally important developments in other areas can be listed. However, as this dual development proceeded, the institutions and policies of the Community lost relevance; worse still, as they lost relevance, the burden which they imposed on their member states began to weigh more heavily. Opposition to Community institutions and policies is growing, and it obscures recognition of real progress at the margin of these institutions as well as of the European interest. Increasingly, we approach an explosive situation in which enlargement may begin to be coupled by a tendency towards shrinkage. Radical measures may be taken by members, a refusal to obey Court decisions, the withholding of Community resources, the introduction of new non-tariff barriers. We may yet experience the ultimate crisis of a break-up of the European Community, and we may see it happen in the next twelve months.

This is why it is so important to concentrate the mind on the potential of what I have called, with the appropriate question mark, a Third Europe. The ingredients which I have mentioned are very general; much technical work would have to go into their development. Resistance to change will be strong; pressure would have to build up in unprecedented ways. But there are alternatives. It is possible to save the European construction from the absurdities of its original policies, and even the shortcomings of its original institutions. Europe is too important to let it slide into the hands of the vested interests of ultimately insignificant groups. Let us hope that the budget debate at the Dublin Council and the threat of bankruptcy of the Agricultural Fund will concentrate minds on the need to bring policies and institutions into line with the remarkable political progress which has been made, and create that Third Europe for which there is such urgent need.

