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EUROPE'S EMERGING ROLE IN WORLD POLITICS

An Address by Ralf Dahrendorf, Member of the Commission of the European Communities, at the "Conference on the Relations of the North Atlantic Nations," on October 14, 1970, at the University of North Carolina, Chapel Hill, North Carolina.

1970 might well be described as a European year. To be sure, most if not all the major crises of the year occurred outside Europe, in the narrow sense of the term. But there can be few other parts of the world where constructive developments took place with comparable momentum. Not surprisingly, some were pleased, others alarmed, or at least concerned about these developments. In some countries, there is today a sensitivity about European developments which feeds the obvious interests in keeping Europeans apart. Insofar as these sensitivities are founded in false or lacking information about us, and notably about the European Community, it is our task to supply and correct such information; insofar as they are founded on the fear of the emerging power of European countries cooperating in more and more fields, they are simply an indication of a new fact in world politics.

The conference of heads of government and chiefs of state in The Hague on December 1st and 2nd, 1969, will probably go down in the annals of the European Community as one of the three or four crucial events of motive force. Due largely to the convincing decisiveness of Chancellor BRANDT and the open-minded farsightedness of President POMPIDOU, this conference laid down in 16 points the future path of Europe and thereby helped overcome a period of doubts and depressions.

Since The Hague, at least three significant developments have taken place. On January 1st, 1970, the transitional phase of the Community of Six came to an end. As a matter of fact, this happened a few weeks later; but part of the "acquis communautaire," of the acquired habits of the Communities, is the curious custom of arresting the clock, until some time in February, March, or April, one can at last begin the new year officially. The last stumbling block -- significantly the market regulation for wine, and one that will find favor only with a few Moselle wine-growers in particularly arid parts -- was removed on April 21st. Since then, the Community has entered its definite phase. Among other things, this means that the Commission is now in charge of important sectors of common action, notably in the field of commercial policy. Beyond the representation of the Six in a number of international organizations, the treaty-making power for commercial agreements now rests with the body of which I have the honor to be a member, and which is so hard to describe in the terms of traditional constitutional theory. Apart from the conclusion of a number of agreements in the Mediterranean area, our initiative for the introduction of generalized preferences in favor of developing countries (notably in Latin American and Asia), and the beginning of our negotiations with Japan, are indications of the activities of the Community in its new phase.

A second, equally important, if more spectacular development during this year concerns the opening of negotiations with Britain, Ireland, Denmark, and Norway about full entry into the Community. I need not relate the long and somewhat unhappy story of the enlargement of the Community here. Suffice it to say that even in the early stages of the negotiations there can be little doubt that this time everybody around the table means business,

that particularly in the case of Britain another failure to come to an agreement would have grave consequences for Europe and beyond, and that there is little sense in spending an undue amount of time for the negotiations themselves, even if we shall have to allow for a considerable transitional period once the negotiations have been concluded. This conclusion of the negotiations may well happen before July, 1972. The growing concern of third countries, and their wish to be kept informed is perhaps an index of our progress. We shall certainly make sure that everybody who is materially affected by the enlargement of the European Community is at least heard and that his case is considered. At the same time, we have to insist on our policy to create an enlarged European Community with all the obvious and the hopeful consequences which this process has for those who have grown accustomed to seeing Europe divided. We trust that in balance these consequences will be favorable even for those who still fear them.

A third development set in motion in The Hague is rather less spectacular, but possibly the most important of all. Before the end of this year, the Council of Ministers of the Six, on the advice of an ad hoc committee headed by the Luxembourg Prime Minister WERNER, will probably decide to embark on the first of three stages towards an economic and currency union of the Community. The first stage is the easiest to take. The methods of consultation and cautious measures of monetary policy foreseen in it are all within the confines determined by the Treaty of Rome. But it is very unlikely that the first stage will be the last. Its intrinsic momentum, the will of the member states as expressed in point eight of the Hague communiqué, and possibly even its interest for those countries which have applied for membership in the Community, all have made the economic and monetary union an almost inevitable next step in the development of the European Community. The implications of this step

are considerable. They range from the immediate problems of flexibility -- or, in this case, inflexibility -- of exchange rates, through questions involving the relation between European currencies and the dollar, to the political and institutional implications of the attempt to design a common economic policy for the member countries of the Community.

Perhaps this last statement merits one further comment. I have not mentioned so far the much-quoted Point 15 of the communiqué of The Hague. Here the member states committed themselves to promoting progress in the field of political union. In order to prepare a first substantive proposal, a special committee headed by Mr. DAVIGNON political director of the Belgian Foreign Ministry, was set up; the committee has recently presented a preliminary report. This "Davignon report" has met with more criticism than applause, and indeed its proposals for what are essentially inter-governmental and not Community contacts in the fields not yet covered by the treaties are modest. But perhaps the insufficiencies of this proposal are less unfortunate than the romanticism of some of their critics. For there were, and are indeed some romantic Europeans who continue to invoke political union, and in their fascination with an imagined final state, overlook the realities which have already developed as well as those which may be developed starting here and now. It is fortunate, therefore, that more realistic Europeans are increasingly taking the lead in Brussels as well as in the member states. Political union and the present work of the Community and its Commission are not two different things; it makes no sense to try and add some imaginary political union to what we are doing today. Rather, the political unification of Europe is a process, and one which will probably forever be as unfinished as that of any federal political community.

We have already gone through a few important stages on this road; further stages will be reached in the next few years. The process of political unity is one of continuously adding more substance to Community action. This may be in the fields of commercial policy, the planning of research, market regulations for wine, and adaptation of social legislation, exchange rates, an economic policy of stability, or in the traditional realms of "grosse Politik," that is, foreign and defense policy. So long as the Community is gaining in substance for common decision-making, it is growing in political strength. Davignon report or not, Europe is taking long strides in this direction at the moment, and the fact that the road ahead of us is still long, is a challenge and not a cause for despair.

It would be tempting at this point to insert a few remarks about the institutional side of Europe's growth and activity. I would then have to give you a partly amusing, partly just confusing picture of a set-up which the authors of the Federalist Papers not only did not foresee, but of which they would certainly not have approved either. However, there is merely one remark which I want to make in this context because it is directly connected with Europe's role in world politics today.

The European Community is gaining in substance and scope at a time at which its member states, as well as many other countries in East and West, are trying to find ways to promote détente by exploring areas of common interest between formerly conflicting parties. When I began by describing 1970 as the year of Europe, some of you may have thought that I was referring to the German-Soviet treaty and to President Pompidou's visit to Moscow, or to the slowly crystallizing notion of a European Security Conference. I was not, because these developments are still at an early stage, and it is difficult, indeed, to tell what their outcome is going to be. But they are developments which affect the European Community in more ways than one.

There are no direct relations between the European Community and the communist countries of Eastern Europe (with the exception of Yugoslavia which has a commercial agreement with the Community and an ambassador to the Community in Brussels). The Commission represents, however, the Six in a number of international organizations in which East European countries are also members, such as GATT or UNCTAD. Our treaty-making power is still waived with respect to East European countries until January 1, 1973; by that time, it will come into full force. Even today, member states are bound to consult with the Community concerning bilateral agreements and to abide by certain rules in their conclusion. Thus, the hesitation of the Soviet Union, and consequently of the smaller countries of Eastern Europe to establish formal relations with the Community, or to "recognize" it internationally can be no more than a matter of time.

Members of the Ministerial Council of the Community clearly welcome all activities of member states contributing to building bridges where there were none in the past. The Commission has stated through its President, Mr. Malfatti, that it welcomes developments such as SALT, renunciation of force agreements, mutually balanced force reduction, and a European Security Conference. The European Community is not a product of the cold war nor does it have any stake in reviving it.

We are a community of free and democratic countries, but as such we are bound to be both outward-looking and prepared to contribute to peaceful relations between peoples wherever possible. Thus we regard the countries of Eastern Europe as partners, even if they do not, or cannot, want to be members.

But this word "partnership" is meant in a specific way which is why I mention it in the context of institutional structures. Our partners are the

East European countries. We do not feel that the same can be said for the organization of Comecon. There may be questions which can usefully be discussed within the framework of an organization like Comecon. But contrary to this organization, the Commission of the European Community is emphatically not the secretariat of an international organization. Moreover, whatever difficulties the decision-making process in the Council of the European Community may involve -- and they are considerable -- they show that we are not dominated by one superpower. The European Community is a creation sui generis not merely in constitutional terms, but also with respect to its position in world politics. It is more than, less than, the sum of and something different from its member states. Confusing as such a description may sound, it is nevertheless fair to expect that this new reality be recognized by all those who favor a realistic approach as the safest guide to world peace.

In its policy towards the East, the European Community is taking part in developments, but not leading them as such. There are, however, certain aspects of world politics where the European Community by its own initiative has contributed to peace and prosperity. I want to mention two of these because they are important, and controversial at the same time.

Apart from South East Asia, the Eastern Mediterranean is the second seat of violent conflict in the world today. Now that the superpowers have moved in, both an escalation and an immediate solution of this conflict become possible. But immediate solutions are not enough. With few exceptions, the economic, social and political conditions in the countries of the Eastern Mediterranean shores, are unstable. In order to find long-term solutions, armistice may be one prerequisite, but the instruments are surely of a different kind. Whoever wants lasting peace in the Mediterranean must assist

the countries of the area in their economic and social development, while respecting their right to decide about their political future themselves. This is how the European Community understands its obligation in this area.

The traditional relations between Europe and the Mediterranean countries have been close and manifold. Our agreements with these countries reflect this fact. Apart from France and Italy, members of the Community, there are other countries which feel that they belong to Europe, and which aim, therefore, at full membership in the Community. Our association agreement with Greece has been partly suspended last year,; but I sincerely hope that we shall soon see conditions in Greece which permit the continuation of the process of association. With Turkey, we have just concluded the second agreement about association involving on the part of Turkey the courageous decision to enter the transitional phase in which obligations become increasingly mutual. Our relations with Spain, Israel, Yugoslavia, Malta, and Cyprus are looser -- and, incidentally, different in each case -- but in all cases the agreements we have or intend to conclude foresee increasingly close cooperation.

The Maghreb countries were traditionally tied to France. The Community has taken over this responsibility of one of its members; we shall see to it that these countries will not lose the advantages they had in the past, and will add new ones if possible. Recently, we have begun negotiations about preferential trade agreements with the United Arab Republic and Lebanon. It was the will of the Council that there should be a parallelism between our treatment of Israel and that of the Arab countries. Negotiations are going well, and I anticipate their early conclusion.

I have just mentioned the word -- "preferential trade agreements" -- which has given rise to some international debates about our Mediterranean

policy. The attempt to carry this debate into GATT, and to censure our agreements there, has failed once again this year. Still, the opposition runs deeper, and requires a clear statement. The agreements we have with many countries around the Mediterranean basin are an attempt to discharge what we regard as our responsibility for this area. We do not want to harm anybody in doing so, but we insist that it is a European obligation to promote long-term stability in that part of the world. Moreover, it corresponds to historical relations if we offer many of the countries concerned the prospect of full association with the Community. The only criticism of our policy which I can regard as legitimate is that there is a certain inadequacy as between our political goals and the economic instruments we are using. Certainly, preferential tariff reductions of 50 percent for lemons are not sufficient to promote social and economic stability in a developing country. Here, power and weakness of the European Community as it stands today become evident.

But I trust that the Community will have the strength to overcome this inadequacy by adding new instruments rather than by changing old goals. Our preferential trade agreements are -- if I leave aside the particular relations to developing countries for a moment -- limited to the Mediterranean area; our political responsibilities are not. In July, 1970, twenty Latin American countries have agreed on the "Declaration of Buenos Aires," asking the European Community to work out with Latin America a policy for closer cooperation. The Community will respond to this invitation in a constructive way before the end of this year. In addition, we are already engaged in negotiations about a commercial agreement with Argentina. But whatever form the cooperation will take, whether it is commercial or political, it is clearly motivated by different intentions than our Mediterranean policy. This means inter alia that we do not intend to translate our Mediterranean policy to

Latin America. For Latin America, another type of policy including another set of instruments of cooperation will have to be developed in order to satisfy the specific needs of this continent and its cooperation with Europe.

One such instrument has been the subject of multilateral discussions in the last weeks, and has finally been accepted by the council of UNCTAD this week: the proposal to grant generalized preferences to developing countries which was first launched by the European Community. Perhaps no other single measure demonstrates with equal clarity the ways in which the European Community wants to discharge its responsibilities in the world. The offer to all developing countries of non-discriminatory preferences for all industrial goods is intended to further the growth of industry in the less-developed parts of the world. The Community, and unfortunately nobody but the Community, has shown that it means this seriously by including textiles in its offer despite protests by the domestic textile industry. We felt and feel that, considering the special role which the textile industry continues to play almost everywhere in the development of industrialization, there was little justification in excluding this branch.

Growing industries elsewhere mean growing competition. We want this competition because we believe that it is in the interests of the welfare of more and more people. But perhaps the decisive advantage of the generalized preference scheme is that it is designed to achieve a specific purpose by means which lead to further liberalization rather than new restrictions in world trade. None of the great trading partners can justly claim to have followed the principles of GATT at all times and in all places. I am far from pretending that the European Community is beyond criticism in this respect. But I would maintain that whenever we are faced with a problem or a

purpose, our first option is for measures which extend free trade and thereby liberty in the world. We uphold this option even against resistance at home and abroad, and indeed, even if some of our major partners do not follow us. Thus it is probable that we shall put into force our offer of generalized preferences before we know whether the Congress of the United States will accept the rather more conditional American scheme, in the hope that it will prove better to go forward too quickly than to look backward too often.

Even without my mentioning it directly, it is obvious that the question of Europe's role in world politics involves our relations with the United States at many points. Now it is not my intention, on the eve of important talks with the U.S. government, to make public statements which might be regarded as indiscreet by my hosts. I shall, therefore, confine myself to a few general remarks which are nevertheless indicative of our ideas and intentions.

For many years, the United States has encouraged all developments leading to greater cooperation between European countries. Indeed, there were times when America appeared to some to be more European-minded than the Europeans themselves. Today, this attitude is no longer so clearly in evidence. In the words of Under Secretary Samuels, the United States is no longer prepared to trade short-term economic disadvantages for long-term political goals. I cannot see where such economic disadvantages are looming; but then the real point of such statements may be a growing doubt about the long-term goals of European cooperation, coordination, and possibly one day unity. Instead of mutual encouragement, we now find a new style of scepticism gaining ground in European-American relations. Recriminations about agricultural policy, about preferential agreements, about special and inverse

preferences are expressed in bilateral talks as well as in international organizations, and they are used as an excuse for measures inside the United States which in their impact are of a different order of magnitude altogether. The path taken by the European Community in the last few years may not have been altogether predictable, but it was consistent and straight. By contrast, we feel that developments in the United States have led to certain changes which we do not and cannot follow with much enthusiasm. Such lack of enthusiasm is due not only to the fact that some of these developments -- such as the much-discussed Trade Bill -- involve considerable and I think unprecedented injury to legitimate interests in the European Community and elsewhere; it is also due to the underlying philosophy of the new approaches taken by the United States. At a point like this, and in the context of a conference which is North Atlantic in scope, it may be useful to remind all of us of a few principles by which we should be guided in order to avoid any deterioration in our mutual relations.

First, it is important to remember that the European Community and the United States subscribe to a similar set of assumptions about the way to organize our social life politically. The constitution of liberty has rarely been more precious than in these days. That it is no guarantee of happiness we are told by our young every day. But to the present day, it seems to me the only guarantee against the institutionalization of unhappiness, i.e. to the creation of conditions which restrict people's choices and chances. In this sense, the European Community is a community of free countries which will clearly want to maintain the closest relations to those parts of the world which defend the free realization of man's life chances as well.

One part of freedom -- and this is my second point -- is free trade.

I do not want to be either romantic or fanatic about it.

is important to realize that the connection between domestic and foreign policy is still particularly close in this field. The idea of self-sufficiency is usually the other side of a coin on which the name of nationalist tyranny is inscribed. It is a terrible truth that even highly-developed countries sometimes care more about protecting segmental interests than about protecting liberty. But the 1930's are still in many memories, and they, too, began by some thinking that they should isolate themselves from the rest. I need not remind you of their end. It would be useful if our mutual insight led us to decide that whenever we are faced with a choice of alternatives, we shall opt for liberal rather than protectionist solutions. The escalation of restrictions is an escalation of anxieties, and it is unworthy of free countries.

Thirdly, it is clearly a condition of reasonable relations between free countries that mutual injury must be avoided. This requires an outward-looking attitude on the part of all. Despite assertions to the contrary, I can state for the European Community that we have so far hurt none by our association and that we do not intend to do so in the future. If the United States can say the same, they would follow the principles on which they were founded. I am, of course, aware of the fact that this is the position taken by reasonable people on either side of the Atlantic, and I recognize that Secretary of State Rogers made this point clearly in the Senate hearings about the Trade Bill this week. At the same time, I have to express our deep concern about what I would describe as an inward turn in American public and political opinion, which is a cause of surprise and concern with all those who like to see America play a responsible role in world politics.

Without wanting to overstate my case, there is a fourth point which I have to make. The road from dependence to partnership is always difficult.

This is all the more true if we consider the complex mixture of interdependence and independent partnership as it now exists between Europe and the United States. We, who have become the largest trading power in the world, and are under way to increasing our assembled political strength, intend to use our position in a mature and moderate manner. In doing so, we hope that you will accept those facts which are the concomitant of partnership, including the facts of life of the European Community, as it stands today. Our agricultural policy, for example, is not directed against anyone, but is one of the facts to be accepted if real partnership is to develop.

I do not want to be misunderstood here. The European Community, as I have tried to point out, is a process. We are prepared to change our policies wherever we regard this as necessary. This means that we are open also to arguments from outside. But this again must be a mutual preparedness. My fifth point is, therefore, that whatever happens, Europe and the United States should continue to talk, and to talk frankly. The demand sounds modest, but it is meant very seriously indeed. Both the United States and the European Community are obviously free to take their decisions in accordance with their goals and interests. But it would seem to be in the interest of both the exchange of views before, during, after -- and perhaps not least -- about our decisions.

There are solemn but necessary words about a relation which has started well, but is presently a source of concern in many places. To underline what I mean and to summarize these remarks about the emerging role of the European Community, let me conclude by emphasizing one central point.

The European Community is a developing reality. As it grows in membership, and in substance, it will become less rather than more preoccupied with

its internal relations. The common external tariff is not the whole truth of Europe. Indeed, if the European Community was no more than a free trade zone, we might as well disband it tomorrow. There may be many uncertainties about the Community, and even today I would hesitate to predict with certainty its full success. But it is clear already that rather than close itself to the outside world, the Community is going to promote free trade. Our interest in generalized preferences is indicative of our attitude. But at the risk of being repetitive, let me return once again to the political potential of the Community and to The Hague, and quote from Point 4 of the Communiqué agreed upon in December, 1969: "The chiefs of state and heads of government confirm expressly their finalities which give its meaning and its relevance to the Community. They indicate their decisiveness in pursuing this enterprise and emphasize their confidence in the eventual success of their efforts. If an unusual source of development, of progress and of culture is not to dry up, if the equilibrium of the world is to be maintained and peace to be preserved, it is their common conviction that a Europe is unescapable which unites states whose essential interests coincide while respecting national peculiarities, a Europe which is certain of its own cohesion, which maintains its friendship towards other states, and which is aware of its task to further international détente, and the understanding of peoples, especially between the peoples of the entire European continent." It is difficult to describe the role of the European Community in world politics today more clearly.

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