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THE FUTURE DEVELOPMENT OF A POLITICAL EUROPEAN UNION

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CHECK AGAINST DELIVERY

Mr Chairman, Ladies and Gentlemen,

It was a pleasure for me to accept your invitation to address you today with a few thoughts on the future of a European political union. My pleasure is all the keener in that this is a topic which is dear to my heart. It was in the headlines again recently when the European Parliament adopted its draft Treaty establishing the European Union.

But is this an auspicious time to talk about political union, when, as everyone knows, the Community has suffered a number of serious setbacks? Is this really the time to make plans for the future? And, more to the point, is there any real chance of progress in this direction?

To these questions I can only answer with one sentence that expresses my own personal conviction: Europe will be political or Europe will cease to be. Sooner or later the venture launched by Robert Schuman's Declaration on 9 May 1950 must develop politically or disintegrate. In a way, we have no choice but to succeed.

Of course, unification will not be achieved overnight, or between one year's end and another. The last quarter of a century has shown that unification is a long-term endeavour, where synergy often counts for more than momentary setbacks. There is no question of course of playing down the seriousness of the situation created by our failure to resolve our problems. I will return to this later if I may. But there is no reason to abandon our voyage because our ship has run into difficulties, although there might be something to be said for changing course, getting up a head of steam, or indeed changing to another ship.

There is no need for me to remind an audience on this side of the Atlantic that it took three generations and a civil war to consolidate the American Union. We have had our fill of civil wars in Europe, but the work of unification has only spanned a single generation. And our task has been complicated by a number of historical factors.

Unlike the United States, Europe no longer has a guarantee that unification will be sustained by prolonged economic expansion. Unlike the United States, Europe does not have the integrating force of a common language. Unlike the United States - where unification was, you

might say, imposed from without by massive immigration and fresh influxes of people and talents — Europe must unify from within, leaving its people free to differ, because diversity is a rich vein that can be mined to enhance the joint venture. Again, unlike the United States, Europe is being pressurized by the absolute need to defend its vital interests, whether military or economic.

European unification is - and always has been - inspired by

Europeans' desire for peace, by their desire to preserve their way

of life and democratic institutions, and more recently, I believe,

by their refusal to become casualties of the economic crisis.

In its short history the Community has demonstrated more than once that crises provide the fuel for further progress. Personally I am convinced that, in this sense, setbacks are no bad thing. A setback isn't a setback until those who have suffered it admit defeat. And there is no sign of that at the moment.

On the contrary. Most commentators are arguing that it is more important than ever to remove obstacles and move forward.

But, you will ask, what is being done at this moment in time to advance European unification? I would single out two developments which are worthy of note.

First, there is the Solemn Declaration on European Union adopted by our Heads of State and Government at the Stuttgart European Council in June of last year. This Declaration stemmed from a joint proposal for a European Act presented by the German and Italian Foreign Ministers, Mr Genscher and Mr Colombo, in 1981.

In adopting this Declaration - which, I must add, has not been accepted in its entirety by all the Member States - our Heads of State and Government set themselves a number of objectives: to strengthen and develop the Communities - the nucleus of European Union - and political cooperation; to promote closer cooperation on cultural matters, approximation of national legislation, and concerted action to deal with international problems of law and order where these activities cannot be carried out within the Treaty framework. Although

the Declaration reveals a political will to move towards European Union, it has its flaws, in terms of approach and scope. The force of the Declaration has been diluted by the reservations of a number of Member States. No matter how praiseworthy a declaration may be it is liable to remain a dead letter unless it is followed by practical steps to translate words into deeds.

To the European Parliament must go the honour of having done just this. In February of this year it took an initiative of considerably broader and more ambitious proportions. By a very large majority, it adopted a draft Treaty establishing the European Union.

In its draft Parliament attempts to redefine the powers vested in the European Union and in the Member States, and the balance between the institutions, on the basis of past Community achievement and the commitments made in the political cooperation context. The object of the exercise is to update the Treaties by incorporating new spheres of competence which call for common European policies, to group all existing forms of cooperation and integration – Community, political cooperation, and so on – in a single clear-cut institutional framework and to make the institutions more democratic, more efficient and more responsible than hitherto.

Parliament's text has the makings of a draft European

Constitution. It is unquestionably one of the most significant

pieces of work to emerge from the directly-elected Parliament.

It is hoped that the text will spark off a political process leading to European Union. It is a historical and logical extension of the potential of the Schuman Declaration and has the merit of being a vigorous restatement of the European "Credo". The process will undoubtedly be complex and difficult and will get nowhere unless it is backed by all the forces working for the unification and integration of Europe.

It already has the support of many members of the European Parliament from different backgrounds, different parts of the political spectrum and different regions. Parliament's debate and vote had the merit of defining the stances of the various political groups in concrete terms. The idea now is to put the draft Treaty to the European electorate. The political groups that voted for it plan to incorporate this objective into their party manifestos and will be campaigning for it during the run-up to the second European elections in June. Logically, the same parties will be committed to defending it at national level, so that this whole process can culminate in European Union.

The procedure that Parliament has in mind is therefore quite new.

The fruit of all those years of drafting will not be put to the

Council or to the Member States' governments. Instead Parliament

based itself on the principle that political groups hold the same

views at national and Community level and from there decided to present

the finished product to the electorate via the political parties. It

is hard to imagine a more democratic way of doing things, even if one

may have reservations about this procedure being chosen in preference

to another.

What does this new Treaty say? How will the future Community look?

The easiest way to answer these questions is to take a look at the published text.

It begins by outlining what is meant by European Union: a pluralist democracy, based on the rule of law and respect for human rights and fundamental economic and social freedoms; a supranational entity which would provide stability to allow the economy to develop without discrimination between nationals and undertakings of the Member States; which would make it possible to meet technological, financial and monetary challenges; which would strive for a more or less comparable standard of living in all regions; which would make a higher degree of social justice possible. The preamble defines the "principle of subsidiarity": the Union would only take over those tasks that can be carried out more satisfactorily by the Union than by the Member States acting separately.

The Union would be given a new institutional structure. Executive power would be wielded solely by the Commission, the Union's key institution. The Council - like Parliament - would have a purely legislative role. The Commission would retain the right to propose draft laws to Parliament; but in certain circumstances it would share the right of initiative with the Council and Parliament.

As to the policy to be conducted by the Union, a distinction is made between Community policy and areas in which Member States would cooperate. In these areas, the Member States would be free to decide for themselves: cooperation would not be forced upon them.

There would be no question of cooperation between the Member States in areas in which the Community is already active. To avoid all misunderstanding, the breakdown of powers between the Union and the Member States has been spelled out with the help of newly-coined terminology. The term "exclusive competence" is used to indicate areas in which the Union would have sole responsibility, areas in which it could act without reference to the member States.

Another new term is "concurrent competence" - meaning areas in which the Union would share responsibility with the Member States, areas in which the Member States would have a say. The Union would be responsible for certain aspects of these areas, or simply responsible for defining a framework within which the Member States would be free to act.

Lastly, there would be "potential competence". This relates to areas in which the member States would have sole competence, provision being made for the Union to be given full or partial competence in future.

From the institutional point of view, the draft Treaty has two major assets. Firstly, it innovates while guaranteeing the continuity and preservation of the community patrimony, which will facilitate constant adjustment to the progress of the Union. Secondly, it makes the qualitative leap which is vital to European unification, while assuring that the change brought about by the draft Treaty would be irreversible.

I would like to concentrate on two of the policies of the Union - economic policy and foreign policy - although I have no wish to minimize the others - social policy, cultural policy, environment policy and so on. As an aside, we should remember that Union citizens would enjoy dual citizenship - citizenship of their own State and citizenship of the Union.

To get back to the economic powers of the Union, the basic principle is that national powers must be strictly limited if the community and Europe are to act effectively one day against their main competitors. The Union would be given extensive powers in relation to the budget, the use of nuclear energy, and the restructuring of industry.

Competition policy would be a matter for the Union alone. The European monetary system would be slotted into the Union's institutional framework, thereby putting an end to the intergovernmental cooperation which is now a feature of the EMS.

In the foreign policy area, the Union's external relations would be directed towards the achievement of peace through the peaceful settlement of conflicts, the deterrence of aggression, the mutual, balanced and verifiable reduction of military forces and armaments. The Union's foreign policy activities would extend to improving living standards in the Third World.

I propose to abandon my rather dry description of the European Union at this point. You may be reeling a little, but you will have understood that we are talking about a radical, dare I say, revolutionary, change to the Europe we know today.

For every believer, for every worker for European Union over the years, there are many who take a cynical view of Parliament's efforts. They accuse it of being out of touch with reality, of building castles in Spain. To them the whole thing is a waste of time, effort and money!

I can assure you that I am not one of the cynics. I realize that

European Union cannot be achieved overnight. But it is clear to me, as

it is clear to many others, that the Community as we know it is

incapable of meeting the challenge of the next generation. This is

why European Union is inevitable. Twenty-five years ago the founding

fathers of the present Community were not always taken seriously either.

But thanks to their political courage and perseverance the Community

took shape.

Parliament's initiative shows that political integration is on the move. I have no doubt that it has every chance of succeeding despite the problems that will inevitably crop up.

But this must not blind us to the fact that Europe is in the throes of a crisis. It is not a new crisis; it is rather a latent crisis which has finally hit the headlines. This may be no bad thing since a crisis can provoke a healthy reaction.

But we cannot content ourselves with picking up the pieces and sticking them together again. The least we can do is to learn from our failures. We must try to identify cause and effect. The crisis is not the breakdown of the integration process or the bankruptcy of the common agricultural policy. The real crisis is the failure of the Community's decision-making mechanisms.

The message could not be clearer. It is high time that we returned to genuinely Community decision-making, to a process in which the common interest outweighs the sum of conflicting national interests. It is high time that we abandoned a systematically intergovernmental approach to Community affairs. The Council is not and cannot be a diplomatic conference. It is essential that we return to qualified majority voting.

It is high time that the European Council confined itself to defining political objectives and stopped acting as a court of appeal from the specialized Councils. There are enough layers within the institutional system. Additional layers will do nothing to compensate for present shortcomings.

It is also high time that we abandoned the "package deal". It can serve a purpose on occasion provided it is simple and straightforward and confined to essentials. Systematic packaging leads to paralysis.

It is high time that the Commission rediscovered its right of initiative, that executive tasks were entrusted to the Commission, and the Council left free to deal with other business.

It is high time to weigh national interests against the common interest, the Community's "raison d'être".

Last but not least, it is high time that we tackled the material problems facing the people of Europe day after day. Europe means more than cash-flow problems and farm surpluses.

In the last analysis Europe's international competitiveness

depends on how we expand our internal market, on how we develop our

industrial base, on how we keep abreast of technological innovation.

None of this is possible without a broad, resolutely Community approach
and far more sophisticated coordination of economic and monetary policy.

Measured against long-term unification, our failures can only teach us one thing: that the decision-making mechanisms enshrined in the Treaties must be respected and used to the full if the Community is to get back on course and wait for a change in the weather.

Europe belongs to its citizens. They expect Europe's institutions to put the Community in a position to ensure economic recovery and lay the foundations of a better future.

The future of our Community is at stake. If we dodge decisions, we will fade into insignificance. Nobody wants that. The alternative is for everyone to recognize the need for action. It is not too late, but there is no time to lose. We must act now!