

EUROPE,
FROM THE COMMUNITY
OF TWELVE
TO EUROPEAN UNION :
THE OBJECTIVE FOR 1992

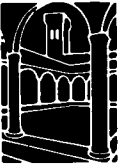


by Felipe González Márquez

Florence, 19 October 1987

EUROPEAN
UNIVERSITY
INSTITUTE

TENTH
JEAN MONNET
LECTURE



**EUROPE,
FROM THE COMMUNITY
OF TWELVE
TO EUROPEAN UNION :
THE OBJECTIVE FOR
1992**

by Felipe González Márquez

Florence, 19 October 1987

European University Institute



Contents

	<i>Page</i>
INTRODUCTION BY THE PRINCIPAL OF THE EUROPEAN UNIVERSITY INSTITUTE: MR EMILE NOËL	5
LECTURE BY THE PRIME MINISTER OF THE KINGDOM OF SPAIN, FELIPE GONZÁLEZ, DELIVERED AT THE EUROPEAN UNIVERSITY INSTITUTE, FLORENCE, 19 OCTOBER 1987	9



Introduction by the Principal of the European University Institute: Mr Emile Noël

Mr Prime Minister,

It is a great honour for the European University Institute to welcome you to Florence today for the tenth Jean Monnet Lecture and the start of the Institute's academic year. It is a particular privilege for me to address these words of welcome to you on behalf of the Institute, at a time when I have just taken up my duties as Principal of the Institute.

Mr President of Senate,

Your Excellencies,

Ladies and gentlemen,

Allow me to express my warmest thanks to you for having accepted our invitation. It is an honour for the Institute to receive you and to associate you with the welcome to Prime Minister Felipe Gonzalez.

I wish particularly to thank you, Mr President of Senate, who have so often demonstrated your friendship and support for the Institute. I also welcome the presence of Mr Barón Crespo, Vice-President of the European Parliament, representing the President of the Parliament, Lord Plumb, and of Mr Manuel Marín, Vice-President of the Commission of the European Communities, and of Commissioner Abel Matutes.

Mr Antonio La Pergola, Minister responsible for Co-ordination of Community Policies, is here representing the Italian Government. I wish to convey to him the

Institute's gratitude for the unfailing support that Italy has always offered.

Mr Prime Minister,

Your coming here when Spain has just acceded to the Convention setting up the Institute and will therefore be playing a full part in its activities underlines the interest your country has in us and augurs very well for the breadth and quality of its participation. A European Institute without Spain would have been cut off from a major part of the historic and cultural heritage of Europe. We felt that very strongly, and have in fact taken care to have a Spanish presence at the Institute even before formal accession procedures were completed.

Mr Prime Minister, I am welcoming you here as Head of the Spanish Government; but, allow me to say this, even more so as one of the European leaders of the new political generation, as one of those on whom rest the hopes of Europe's citizens for better tomorrows.

I have not forgotten that European integration was one of the points in common that brought Spanish democrats together during the 1960s and 1970s. They were rediscovering the European vocation that your great country had had throughout its history. The request for accession to the Community by democratic Spain, in 1977, made this policy become a fact.

As a full member of the Communities for more than two years now, Spain has displayed a will to play an active and innovatory part in their development, and a capacity to defend its legitimate interests while respecting the needs of Community cooperation, that is, by favouring possibilities of understanding and by avoiding confrontation. You yourself, Mr Prime Minister, played an outstanding role, to which I was a modest witness, in the European Council, through the force of your convictions and the loftiness of your views. They transcended purely national viewpoints and went straight to the essential things — the defence of Community solidarity, recognition of com-



mon objectives and the securing of broader political commitments among our countries.

Today in 1987, just as in the 1950s at the very beginning of the European integration movement, the pressure of external events is making fundamental decisions appear both possible and necessary. Prague, forty years ago, compelled Europeans to unite. Reykjavik, a short time ago, has shown the need for Europe to exist and the difficulty for it to do so.

We have again become aware that Europeans — those in the European countries who are prepared for it — must take their security and defence problems in hand and make clear to their great ally, and also in the negotiations between the United States and the Soviet Union, their hopes as well as their concerns and the guarantees they insist on. If governments can draw the lessons from experiences like the setbacks of the past, then tomorrow this economic Europe — Community Europe — will be able to regain the political complement that the founding fathers wished for, in a Europe of security or of defence, as the basis for a political union among as many of our countries as possible.

You, Mr Prime Minister, have clearly shown that this path is open as far as you are concerned. Your public declarations and your opinions put before other heads of government have demonstrated your lucidity and your faith. We shall all be passionately interested in hearing the European message you will now be giving us, the message of democratic Spain to the citizens of Europe, the message of will and of hope by the new generation for a relaunching of a political Europe.



**Lecture by the Prime Minister
of the Kingdom of Spain,
Felipe González, delivered
at the European University Institute,
Florence, 19 October 1987**

*Mr Principal,
Ladies and gentlemen,*

I wish to begin by thanking the European University Institute for the opportunity it has offered me to share with you some ideas on problems and aspirations that are common to all of us. I should like these thanks to be understood as something more than a mere polite formula, for there are few cases in which a head of government is able to express his opinions in a context which, like this one, allows him to be less subject to the constraints of the post.

I very specially wish to thank Emile Noël, for his words of affection and understanding towards my country and towards myself. I shall not fall into the naive temptation of describing a figure with whom all of you are so familiar. We all know his dedication and his passion for the cause to which he has dedicated his life. We all know that he has acted with enviable mental style, with no showing off. He has been an exemplar of the Earl of Chesterfield's magnificent advice to his son: 'Wear your learning, like your watch, in a private pocket: and do not merely pull it out and strike it, merely to show that you have one. If you are asked the time, tell it, but do not cry every passing hour.'

With this cast of character, Emile Noël has served Europe and Europeans worthily and effectively. Now, not content with what has already been achieved, he has taken on new educational responsibilities, no doubt inspired by that intellectual restlessness that led Michelangelo, in his maturity, to say: 'I am still learning'.

Dear friends,

You know that I am going to talk to you about Europe. I shall do so with concern and with hope. I shall seek to be brief, accepting the risks of simplification and of missing out some nuances for that is both what the nature of the act requires, and what is advisable if I am not to tire you.

I am concerned because, even with the realist, pragmatic character that people say I have, I see that the historical tempo at which the idea of Europe is developing is too slow to give results in good time. The important thing is not just to arrive, but to get there in time. We must not drag our feet and act only when compelled by necessity, but seek to be ahead of events, with clarity of vision and firmness of will.

But I also have hope; for I believe that the process of European unity, in its deepest currents, is irreversible.

Florence is perhaps a stimulating place for thinking about these things. This city, one of the wellsprings of modern culture, produced the bold ideas and attitudes that made possible the Renaissance. That is something that Europe today is in need of too.

Jean Monnet said: 'When an idea meets the needs of an epoch, it ceases to belong to the men who created it and becomes stronger than those in charge of it'.

Happily, this is happening with the idea of Europe. Or if you prefer, with European unity. There is no doubt that that is what has made the European endeavour survive more than 30 years of different governments and varied crises. A dynamics has been created that I feel is irreversible and must culminate in the full



realization of unity among the individuals and peoples of Europe.

But it is equally true that the Europe of today — a Community of twelve States and a framework for special relationships among 320 million citizens — is in need of a 'Renaissance', of a rapid 'aggiornamento'. However, the political will that is operating in the process of European construction is fairly far from the strength necessary to overcome the obstacles.

The paradoxical thing is that most European political leaders are convinced of the need to make the 'idea' that Monnet was talking about a reality. But there is a lack of the mechanisms to develop it, and the will is so fragile — always sacrificed on the altar of realism — that in the Community we still go on operating at the lowest common denominator. This common denominator of our collective political practice is inexorably imposed by those who do not want to advance, and still more by those — undoubtedly the exceptions — who do not believe that Monnet's idea ought to be made a reality.

If to that we add the always easy, tempting resort of arguing the position of each on the basis of national interest — or in Brussels jargon, vital interest — as opposed to Community interest, we shall complete the picture of what I have said I see with concern.

The guiding thread in my thought, then, is that the idea of European unity is accepted by all — or almost all — members of the Community. Even those who do not share the idea would not be prepared to be left out if this unity came into being. The instruments are lacking or insufficient, whether from the viewpoint of the Commission and its powers or Parliament and its ones, etc.; but that is not the fundamental problem. The basic point continues to be the absence of a decisive will by our rulers to provide effective, coherent means for the ends being proposed.

Any European concerned about these issues — and I think there are more of us every day — might wonder, on hearing these thoughts, why the Spaniards wanted

to come into the Community, and what idea they have of the Community and of the future of Europe.

Two years ago in Bruges, shortly before the actual incorporation of Spain and Portugal into the Community, I said that this fact was a historic opportunity for deep and mutual reflection on Europe's future and for critical rethinking of its institutional schemes, its structural shortcomings and its political lacks.

I added at that time, and I repeat it today, that we wanted, from the very first moment, to play an active part in European integration.

For Spaniards, the imperatives of Community entry were not the same as those that led to the signing of the Treaty of Rome by six European countries. We certainly share the basic motives, including those deriving from the tragedy the continent went through, the first act of which was played out in Spain itself. But to these motives we can add others that provide an answer to the question why we wanted to join the Community.

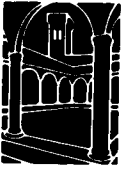
Fashionable pragmatists will feel satisfied with a first, immediate, realistic explanation. More than half of our foreign trade was with Community countries. What could be more logical than for us to want to be round the table when decisions were made, instead of hanging around in the anteroom?

Pure idealists will feel satisfied to hear that since Spain was a deeprootedly European country, its place and its right was to take part in the European institutions that are shaping the reality of our continent.

Both explanations are true, but they apply to other European countries too — I am referring to Western ones — that have not wished to enter the Communities.

Accordingly, though these reasons are true, they are not enough to explain our decision.

In my opinion, a fuller explanation is needed to assess more exactly why we want to be in Europe and what Europe we want.



Looking at our history since the 19th century — not only the last few decades, in which we democrats brandished the need for integration as a banner of liberty — I can pick out some conclusions that also lead to the idea of participating in the European institutions.

Throughout that period, we Spaniards lived in political and cultural isolation. That was a breeding ground for authoritarianism and exaggerated nationalism, and explains the fragility of our democratic experiments.

Political isolation was accompanied by an economic isolation — let us call it hyperprotectionism — that fitted in consistently with nationalist thinking. The result was comparatively less development than our European neighbours.

That process of political isolationism and economic protectionism was negative for Spain. Opening the political frontiers and becoming part of broader areas is the consistent response for those of us who seek a better, democratically stable and economically developed Spain. Here is the real foundation for our wish to join the Communities. It is consistent with our history, with our economic and commercial links, but also with a democratic development programme.

But that is not all.

I feel that the case of Spain may provide a qualitative factor for understanding, if we bear in mind the magnitude of the challenge facing us. I ask you to consider Spain's circumstances in relation to the new frontiers that the Single Act represents for the European design.

We reached the European Community with a lag of 30 years. We negotiated an accession treaty that obliges us in seven years to run the course of adaptation that other European countries took in decades. At the same time as we are making this effort, we have signed the Single Act and accepted in good faith the needs that spring from it for all of us. At this moment it will be hard for you to believe that even at that we regard the Single Act as the indispensable minimum —

in terms of the time needful — to bring us on towards European unity.

What worries me is not the size of the effort we all have to make, but the consistency of its content with the goals proposed, and the desire to carry it forward in a European spirit.

It is hard to repeat ideas already often expressed, and by many people. I shall nevertheless venture to formulate them yet again.

We are, I believe, living through the crisis of the Nation State as it has taken shape in modern times. This is a crisis of supranationality and of intra-nationality.

The former lays bare the economic, technological, political and defensive inadequacy of the national framework for giving an appropriate response to the problems of our societies. The hegemonic presence of the superpowers on a world scale and the competence of the United States and Japan in economic and technological spheres are all too clear pointers to this.

I do not wish today to go into the second crisis. I shall merely point out that the complexity of the contemporary State's central apparatus generates regionalist aspirations to bring political representation closer to citizens and bring ordinary government tasks into line with the differentiated spectrum of peoples that make up any one Nation State.

The former, the crisis of supranationality, is the generator of the pressure towards European unity. Accordingly, it is not by chance that the Single Act has appeared at the very time the Community is extending to twelve countries. But its very gestation shows us the problem I pointed to at the beginning of my speech: a general awareness of the need to advance, side by side with the existence of a common denominator that ties developments to the pace of those who least want that advance.

Let us none the less make an effort at realism and analyse the development of the Single Act as the



indispensable minimum instrument for going forward with European construction. Once again we can see that in this dynamics we are suffering from the same contradictions.

Let us define the Single European Act as a project, with two great objectives and one reference date.

The first objective is to secure an integrated common space.

The second objective is to seek a coordinated foreign policy — I shall not venture to call it common.

The reference date is 1992.

An integrated common space by 1992

The concept and the very term of a 'common European space' has raised divergencies of some intensity in the debates around the Single Act. There were some who maintained, and still maintain, that there does not exist any common European space, except for the free movement of goods, capital or services. This vision excludes a common space for European citizens, since it rejects the idea of a citizens' Europe.

Let me tell you a revealing story about one of the discussions in the European Council.

One text brought before the Heads of Government for approval proposed the free circulation of businessmen and tourists throughout the Community, as a substitute for the free movement of citizens. I managed to get the text amended by showing my astonishment at not being included in it. 'If I am not a businessman nor a tourist, I cannot enjoy free circulation in a common European space. Nor could students, workers or researchers, as not being included among tourists or businessmen.'

Clearly, there are different visions of what an integrated common space means, and the most important one is not the one separating the north of the continent from the south, though it is the one that the

communications media make seem the most significant. In my opinion, the deepest difference is between those who see this integrated common space as a mere free-trade area, and those of us who believe that it has to be something more, something much more, if we take our stance on the prospect of unity.

In general terms, the something more is that we have to go forward in European construction with a common philosophy, as we are accustomed to do when it comes to building up our own country. What I mean is that building Europe means overcoming the tension between national interest and Community interest, in such a way that the European debate can consider the harmony of rights and obligations in the various areas of Europe in the way each of us considers the matter among the various areas making up our national territories.

This driving idea, so at variance with our customary habits, in turn allows the European debate to be brought onto a level transcending differences among parties, so that ideological burdens do not weigh more than fundamental reasons. Let us return to the Single Act and to two of its basic defining elements: the internal market, and economic and social cohesion.

The Commission has done fine work on developing the internal market and the need for new Community financing that will not only allow the overcoming of the present financial crisis but make the policy of cohesion into a compensation for the risks and dysfunctions that may be created by advances in the internal market.

I basically share the proposal, but there is something I should like to add.

From my point of view, the internal market is an essential element in the advance towards European unity. The obvious need not be pointed out. But the internal market by itself alone is no guarantee of moving in an integrationist direction. That is what may seem contradictory, and is the crux of the argument



not only with those who want the common space to be identical with a free-trade area, but indeed with some convinced Europeans.

Economic and social cohesion is not merely the compensation given to the less favoured for accepting advances in the internal market. It is something more. Looked at from the viewpoint of the internal market, it is the price of achieving it. The argument is about who is going to pay that price, not about whether it exists or not. Put that way, so crudely, it has the potential to break the customary – that is, national – thinking and bring in Community thinking, making the integrated common space something comprehensible.

Let us imagine that the present debate on the Community's financial crisis reaches no conclusion and the Commission's proposals, or other similar ones, are not heeded. We would then be continuing to extend budgets that are too small to solve the deficits of the past (for which extension to twelve Member States should not be held responsible) and are quite simply unreal in terms of the Community's new responsibilities as they emerge from the Single Act.

Let us imagine – and it is in part happening already – that we go on pressing forward with the means allocated to the creation of the internal market, with a view to eliminating barriers to free competition, facilitating free movement of capital, etc.

You can believe me if I tell you that I am in full agreement with the positive nature of those measures. But you may also believe me if I say that some regions in Europe can hardly put up with the cost. Accordingly, that cost has to appear on the Community's budget, as revenue and as expenditure.

That is what is hard to get across in Community discussions.

Development of the resources of the internal market within a Europe with very marked regional imbalances in income, competitiveness etc., logically means (and we are already living through this) the triumph of the stronger over the weaker. A non-modernized Portu-

guese or Spanish industry located in a region with poor infrastructures is liable to be swept aside by competition from a Dutch or German one, even in Iberian markets.

In general terms, advances in the internal market will mean benefits for technologically advanced firms with a good capital structure and developed regional infrastructures. On the other hand, they will mean costs, even the cost of disappearance, for firms not in these conditions.

By this I mean that the internal market has a price, that if it appears in budgets inspired in both revenue and expenditure by the policy of economic and social cohesion, we shall all pay it fairly among ourselves, that is, with those who have most and draw most benefits from this internal market contributing most.

One other point to make my idea still clearer. Cohesion does not act solely in terms of solidarity among the citizens and regions of Europe. It also means the need for rigour by each Member State and for an effort at convergence in economic policy. It would not be reasonable for countries with no budget discipline or lax inflation policies, for instance, to feel entitled to have the others pay the costs of their wrong approaches.

Ultimately, if the Community fails to understand the intimate relationship between internal market and economic and social cohesion, we shall not advance towards an integrated Europe seeking greater harmony among its various regions, but move towards a dual Europe with increasingly greater distances between the powerful and the weak. That might bring about Europe's disintegration.

Accordingly, you can understand why we cannot agree to continued patching up of the Community's financial crisis, and why we call for a serious response that can give the essential political structures to secure an integrated common space, and not a mere free-trade area.

I am afraid I have gone too deep into specific problems, though I have deliberately avoided quoting



figures. I am sometimes embarrassed when it is argued, in order to put a break on the necessary financial decisions, that we have to be much more rigorous in Community budgets since we are in our various countries too. Any political leader may go along with the argument; but he has to reject the underlying intention it conceals, for the budget resources under discussion constitute a ridiculous percentage of national budget resources. The Commission budget for carrying out the reform calls for an annual increase of approximately 0.15% in national budgets. Do you know of any government, however rigorous, that has not approved budgets for a margin like that?

But let us imagine that the differences of conception about the Single Act can be overcome, and that we can come together round such concepts as a common European space. Even in this case, starting from the assumption that political will is able to rise to the circumstances, we shall meet problems with the machinery.

The prophets of catastrophes for the Community resulting from the enlargement to twelve are wrong. The incorporation of Spain and Portugal has completed the Mediterranean and Atlantic corner of Europe, and on an international outlook has opened the doors to the Latin American world. If you will allow the expression, we may feel that Europe has reached the critical mass that makes possible — and at the same time necessary — actual union. But we still need courage and political will in order to run the course. On that course, we are coming up against instrumental obstacles that have to be overcome. For that, we need fundamental thinking about the modernization or regeneration of the Community institutions.

The other great objective of the Single Act refers to political cooperation, to the search for a European foreign policy.

In this area, the problems are apparent. In the complex international situation, European opinion is weighing increasingly less. We recognize that the

positions of any one Member State are insufficient to have effective influence on international issues, and frequently we have the feeling of having yielded up the decision-making capacity to the interplay of the super-powers, because we cannot manage to fit a joint European policy together.

The paradox is still more striking if we note that, from countries involved in the Middle East conflicts, or affected by apartheid policies, or caught up in the Central American crisis, there are constant calls for a European stance. This is what Jacques Delors defined as the existence of a 'demand for Europe' from beyond its frontiers. Europe as such has to be present in the world.

Spain and Portugal have brought Community Europe the Latin American dimension, to add to the African and Asiatic ones already present. All of these are to be understood as a commitment to solidarity with the problems of those countries. This is not merely for reasons of solidarity deriving from the level of social and economic development that Europe has reached, but also for reasons of self-interest. For the future it is important to see the consolidation of democratic systems under threat in other continents, as well as a proper solution to the problem of external debt.

By the cutoff date of 1992, institutionalized political dialogue between the European Community and Latin America must lead to a fairer, stabler global system of economic, trade and political relations than the present one.

We have to go on with the daily task of mutual consultation and information through the system of political cooperation, which is gradually creating the habit and custom of being aware of interdependence, of not being isolated but impelled to work together. But it is not enough. Nor will it be, until we are prepared to recognize that any one State by itself is not able to respond to those great challenges.

It is an understood truth that there can be no foreign policy without a coherent conception of peace and security policy.



The Single Act is an incentive for us to make cooperation closer within a framework of European security. It is true that the Act confines itself to seeking concertation among the Twelve in the political and economic aspects of security. But there is nothing to prevent new ideas from opening up a pathway in the prospect of European collective security.

That is of particular importance in these times when the first decisive step towards disarmament is being taken.

The agreement between the Soviet Union and the United States on the elimination of intermediate-range nuclear missiles is an event that may bring about a turn-round of great magnitude in Europe and outside Europe, in European security and in world security.

The need is clearer than ever for closer cooperation among European countries, for the very conditions on which our security and the Western defensive scheme is based are changing.

In the countries of Western Europe, a conviction is starting to mature that while it is important to press for permanent, bottom-level equilibrium between East and West, it is also important to work together to secure a growing internal balance within the Western Alliance.

This is certainly the time to make the idea of strengthening the 'European pillar' of the Atlantic alliance into a reality. That will call for an important effort by the European nations both in the area of harmonization of policies and in that of their own manufacture of defensive means and instruments.

Some European countries are already starting to take practical decisions leading to this objective. But thinking ought to extend to the whole set of Community countries if we wish to be consistent in bringing about a common foreign policy. All the same, one should not rule out the possibility — provided for in the Single Act — that it may be a group of countries and not all of them that decides to go forward in that direction.

It is clear that the point is not to create a 'third bloc', but to adjust relationships within the alliance to the new European circumstances, thereby strengthening a policy of peace and security for all.

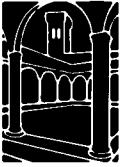
Ladies and gentlemen,

I wish to come to a close. The guiding thread of my speech, by pointing out shortcomings and indicating pathways, leads us to answer the question of what Europe we want. In the present world, European States, even those that have reached a high level of development and acquired a marked international personality, can today be seen as entities insufficient by themselves to compete with the most striving regions of the world from the viewpoints of economics and technology, or to maintain a meaningful presence in international issues that may contribute to providing appropriate solutions.

The conclusion could not be more obvious. It is only in the process of European unity that each of our countries can find the necessary dimension to meet the challenges that are common to all of us. The fundamental problem is to do so in time.

We Spaniards are newcomers to the European institutions. We recognize that the Community has covered a great deal of ground in the last 30 years. It is on that recognition that we base our reasonable hope that the Community may continue to advance, and make the Single Act a full reality in the next few years. There is ability and energy in the peoples that make up Europe to face the challenge, and to win. There is a common history and cultural wealth to be able to have faith in a 'Renaissance' of Europe.

It has been shown that European culture is not content with self-preservation, but has sufficient critical and innovatory capacity to produce new ideas and generate new attitudes. That is the task that institutions such as the one welcoming us today are performing. Here too we are newcomers, and we come with the same attitude of recognition for what



has been achieved and with a will to contribute what we can to the construction to a Europe that is, and is primarily, a citizens' Europe.



OFFICE FOR OFFICIAL PUBLICATIONS
OF THE EUROPEAN COMMUNITIES

L-2985 Luxembourg

Catalogue number: OY-52-88-477-EN-C