



DER ÜBERSEE-CLUB e.V.



EDWARD HEATH MBE, MP

House of Commons, London

THE WAY FORWARD FOR EUROPE

VORTRAG AM 17. MAI 1977



Mr. Chairman, Ladies and Gentlemen!

As you have just recalled, it was on the 2nd of May 1963 that I last spoke here in Hamburg to this club. I well remember that evening. It was a very emotional meeting. Just three months previously, General De Gaulle had exercised his veto to stop the negotiations which were on the verge of success and prevented the United Kingdom from becoming a member of the Community. It was very emotional because you had all helped us in the negotiations. You had wanted the negotiations to succeed. You had wanted Britain to become a member of the Community. In part, it was, of course, because of the long associations of my country with your city; in part, it was because you wanted to broaden and strengthen the Community. I was deeply grateful to all that Dr. Erhard and Herr Schröder did during those negotiations, and, looking back on it, it is of course a tragedy that they were vetoed by General De Gaulle. Things might have been so different if the ten years which have elapsed between the veto and our membership on 1st January 1973 had not been wasted. It was a tragedy for General De Gaulle. When I mentioned this, he didn't seem to appreciate it. But if he had not vetoed the negotiations, he would have gone down to history as the man who united Europe – but that is not the case. It was a tragedy for us in Britain.

Many of our economic affairs would be different today if we had joined the Community in 1963. What saddens me more than anything is that I believe that we should not have had the trouble which we now have in Northern Ireland if we had all been members of the Community, including Eire, ten years earlier. In a way, it was a tragedy for the Community, because for ten years it had a certain unsettled existence, not knowing whether it was going to remain as a six or be enlarged to the nine. But all that now is past. The Community is enlarged, and we are here tonight to look to the future. I want to set it, if I may, in a world context. I would like to discuss world affairs before I come to the detailed questions of the European community and the way ahead. For thirty years now, we in the Western World have taken it for granted that we have got an established pattern of life politically, militarily, economically and financially. We believed that, at long last, we had achieved our yearning of setting a pattern which would be stable in the major aspects of our international life. Now we are realising that that is not, in fact, the case, and that the political, military, economic and financial stability on which we had based our policies is no longer in existence.

The historians will say that the change began before we realised it. Historians always say this, because they have the benefit of hindsight. But they also happen to be right. The historians have said it about my own country industrially. We were first in the Industrial Revolution. We went on behaving through the Twenties and Thirties, the Forties and the Fifties as if we were still first in the Industrial Revolution, whereas, in fact, the United States and Germany had already overtaken us before the beginning of the First World War. We had the greatest Colonial Empire which the world has ever known. We went on behaving as if that was still the case into the Forties and the Fifties and the Sixties, which was the reason why some of my fellow citizens were slow to appreciate the need, the importance, the absolute necessity of the European policy. And now looking back, the historians will say the change in the post Second World War pattern began some years ago. It began in the economic sphere with the oil crisis of the Autumn of 1973. It began in the military sphere when President Nixon accepted that, instead of superiority over the Soviet Union, the United States and its allies would have parity with the Soviet Union. It began financially when the pattern of fixed exchange rates broke down in 1970/71, and began politically when the American Congress realised the full implications of Vietnam and Watergate.

Let us look at that first. In the time that I have been interested in politics, which is now forty years since I was in the sixth form at school, I have seen a movement of power from the American Congress in the White House. It started with Roosevelt. He had to deal with the world crisis of 1931 and 32. He was elected for that purpose. He did so by what we now call state intervention. By modern standards, it was on a very small scale – the Tennessee Valley Authority and transgressing states rights. But, in the thirties, he built up a number of agencies, independent organisations which he deliberately did not coordinate so he could play one off against the other and gradually win power in the White House to deal with the economic situation. In the Second World War, when Japan attacked Pearl Harbour, the Americans had to fight for their nation. Not just a question, as in the First World War, of sending troops to Europe, but to fight for their lives. Roosevelt, with great cunning and personal determination, took that power. With Korea, Truman added to it. With Vietnam, Kennedy, Johnson, Nixon all increased it. But after the debacle of Vietnam and after the scandal of Watergate, the American Congress said to itself, either consciously or, as some democratic assemblies do, sub-consciously, we are not going to let American Presidents go off on ventures of this kind on their own again. That is going to be stopped, and that is the attitude of Congress.

Speaking as a simple politician, I know just this: that, once a democratic body gets an idea like that into its head, it doesn't let it go very easily. And so, having watched forty years of power moving to the centre in the White House, I think we may well see a longer period now in which power moves back again to Congress. Indeed, we have already seen it. For what are the implications of this movement of political power on American policy, and how do they concern Europe?

First, in the Pacific: the withdrawal from Vietnam we have seen. President Carter, in discussing these matters the week before last, mentioned only Japan of the countries in the Pacific which concerns him. The implication is clear that Taiwan will have to be adjusted. The American forces now are few there. If he wants to have full relations with Peking, then they must withdraw from Taiwan. Peking will not give an assurance that the matter will then be settled peacefully. If Taiwan takes up its place as a province, well and good. Should the Russians try to move in, and the Head of Government in Taiwan was trained in Moscow, why then of course it will not be settled peacefully. But when I talked to the Chinese in Peking, to Chairman Mao, to Chou En-Lai and to Teng Chi-Ping and their colleagues, they always said one thing. Chiang Kai-Shek was a very devious man, a very untrustworthy man, but they all had one thing in common – they all believed in one China. The only difference between them was Chairman Mao believed that Taiwan should join the mainland, and Chiang Kai-Shek believed that the mainland should join Taiwan. But of one thing they were all in agreement – that China is one. And that is what we shall see happen. South Korea – the same will apply. But South Korea is now economically prosperous and stable, but the Americans are not prepared to see themselves bogged down in Korea as they were in Vietnam.

And the further implications – let us look at Southern Africa. This poses the most immediate of all problems in Rhodesia and later on in South Africa. Assuming that South-West Africa is settled amicably by Mr. Vorster, the Prime Minister of South Africa. Now we have seen in recent months Angola reinforced with Soviet equipment and with Cuban troops, and no action was taken about it from outside by Americans or any European power. Why not? Because of the change which I have described which has come over American policy. This was not President Carter and Mr. Vance; this was President Ford and Henry Kissinger, his Secretary of State. And so, already then, the change had taken place, and Mr. Carter is not changing policy or attitudes. He resents the change which has already taken place, and that is why he was elected. What the Soviet Union did was to make a very accurate assessment of the situation in Angola, a very accurate assessment as to what the American attitude would be to intervention, and having done that, it then intervened itself, and it was proved to be right. Now this is very important, because it supports my thesis that a change had already taken place before people realised it. Today, we have a position in Southern Africa in which the United States is not prepared to intervene. No European power is prepared to intervene. For us British, it is a very difficult situation because of all the emotional family ties with Rhodesia and with South Africa. It is not so difficult from the commercial point of view, as many would argue, because our investment and our trade with Black Africa today is, in fact, greater than that with White Africa. The fact that neither the United States nor the European powers are prepared to intervene poses a great problem for us."

But I want first to make this comment. There are some who believe that this means that the Soviet Union is now going to overrun Africa and put the West to a great disadvantage. I would urge some caution in this. What has happened to the Soviet Union in Africa so far? In Egypt, it poured in troops, weapons, money, and was pushed out. In the Nigerian Civil War, it intervened, and was pushed out. In the Congo Civil War, it intervened, and was pushed out. And why? For one very simple reason. That these countries in Africa have not been fighting a colonial power for ten years, twenty years, thirty years and achieved liberation only to hand themselves over to a European imperial power. Not at all. It may be for a time they will accept weapons, money, technical aid, but then will come that moment when they make the decision that they are not going to be run by an imperial Soviet power. And the second aspect of this is that, in Southern Africa, the Soviet Union is at the extreme length of its communication lines. They are, in fact, in exactly the reserve position of Vietnam. The Americans then had the lengthy seaborne communication lines. The Soviet Union had lines which were comparatively short and carried by rail, in any case. I was never quite able to understand how it was the Chinese allowed the Russians to send their weapons of war to Vietnam by a Chinese railway, and when I was there on the border of North Vietnam, I said to them: "Where does this railway line go?", and they said: "That fork goes to Burma." I said: "Could I travel

to Rangoon?", and they said: "No, some of Chiang Kai-Shek's men are still fighting across the railway in the north, because they do not know that the war has finished." I said: "And where does that go? To the West?", and they said: "To South Vietnam, as far as it can be guarded." I said: "Is that the railway which carries all the Russian supplies into Vietnam?", and they said: "Yes, of course. There is no other." And I said: "I have tried hard to understand Chinese foreign policy, and you have explained to me the dialectical differences between the Soviet Union and yourselves over Marxism and deviationism. I understand the emotional power of the Russians letting you down in 1958 which supports those differences in dialectic. Would you kindly explain to me why you allow the Russians to use your railway for this purpose." And they said: "We are astonished that you do not understand. The Russians are pouring masses of resources, costing a vast amount of money into Vietnam. When the war is won, what influence will they have in Vietnam? None. Because the Vietnamese will push them out. What better good can we Chinese do ourselves than to give them the railway to waste all their resources in Vietnam." And so the Russians will be at the end of their lines of communication.

But the point of substance I want to make to you is this. Southern Africa does face us with this problem which is far more difficult than one of intervention. And that is – and I shall revert to this later – that is, showing the people of the independent countries in Africa that we in the West, and in Europe in particular, because of our long associations with that continent, have something better to offer them than either Moscow or Peking. That is the challenge that faces us in Southern Africa. It may also face us in parts of South America and the West Indies – to a certain extent still, in South-East Asia. I am happy that India has now returned to a parliamentary system, which we hope will become stable again and be secure. But it is a far more difficult thing to persuade these people that our ideology is more worthwhile in life than Peking or Moscow, and it is here that I believe the Community can be of immense consequence. And, of course, it does mean a willingness to help them economically and with aid and with technical assistance. We can pride ourselves in the Community that, under the Lomé Agreement, we have forty-seven countries who are already benefitting. I would hope that we would not take a limited view of this problem, but recognise the opportunities which are there for us – indeed, the responsibilities which rest upon us as far as these other countries are concerned – to show them that we have got a better way of life. So much then for the change in the political situation.

What does that mean for us in the Community? I believe that the way forward here is for us to give a very high priority to establishing our own political influence. And this can be done through the Heads of Government in the European Council. The last ten years – or the last fourteen years – since I spoke to you has not been entirely wasted, and I think the developments which have taken place illustrate the way in which the Community is going to build itself in the future. When we met in Paris for the Summit of October 1972, many people, good Europeans, said: "What right have the Heads of Government got to meet together like this? They don't exist. They're not mentioned in any of the Treaties of Rome or Paris. There is the Council of Ministers. They are Foreign Ministers. There are various other Councils of Ministers. The Finance Ministers, the Agricultural Ministers. And I sometimes think that, if the world is brought to an early end, it will be by the Council of Agricultural Ministers. Then there is the Commission, there is the European Court; there are all these bodies, but not the Heads of Government. But President Pompidou ignored that, and we met. We laid down the guidelines for the Community to the end of 1980. And then we said: "Well, we can't just leave it like that. We will meet halfway through the eight-year period in 1976 and review progress after four years. But a year later, with the oil crisis, we were already meeting again in Copenhagen. It was a disastrous meeting, because we weren't prepared for it. We thought we were going to sit round a table as Heads of Government and exchange facts, philosophies and bare our souls to each other without having a lot of officials sitting around to take notes of what our souls were like, but it didn't work out that way, particularly when the six African Foreign Ministers announced that they were going to descend upon us without any invitation and discuss the future of oil. We spent the first day discuss-

sing who should meet the African Foreign Ministers or Arab Foreign Ministers, and the only thing the Heads of Government would agree upon was that it wasn't the Heads of Government who were going to meet the Foreign Ministers. So we sent off the Foreign Ministers. And they were very annoyed because the Arabs wouldn't meet them until midnight, and it went on until 3 o'clock the next morning. And then, the next day was spent in the Foreign Ministers telling us what the Arabs had said. They couldn't say anything to them because we couldn't agree on what the Foreign Ministers should say to them, and so the meeting was a complete disaster. But, as a result, we decided that we would meet every six months. It was very logical. And now they meet every four months. There is nothing in the Treaties about it, but it is a necessary development because the Heads of Government realise that the Community cannot work together unless they meet regularly like that. In a cabinet, you meet once a week, twice a week, you take decisions, you hope to take decisions. At least you hear what your colleagues' views are and you know what to take into account. But if you are a Head of Government in the Community, you can pick up a telephone – it was very easy to talk to Herr Brandt or to talk to Helmut Schmidt – for me, who both spoke English – but it was more difficult speaking to President Pompidou, because my French was not of that academic standard to which he was accustomed. And the only real answer is to be able to sit round a table like a cabinet and discuss all these matters. And so, that is an advantage from the political point of view. But what is really required is that the Foreign Ministers should concentrate on the formation of a common foreign policy for the Community. And this is not happening. I think it should have a very high priority, because on it will depend the political significance of the Community, as well as so many of the other negotiations which it carries out in trade, in GATT, in Tokyo and in energy, for example. And, after all, the Foreign Ministers ought to be able to do this. Maybe you can't expect them to understand the difficulties of the GATT negotiations, let alone the agricultural policy, but they ought to be able to understand foreign policy. And every Foreign Office in the Community has contingency plans in its cubby hole for every sort of eventuality. They should get them out and work out together what we do as a community. The fact that the contingency which will finally arrive is not one that they have thought of is neither here nor there. They have to do their best. Let me again quote October 1973. At that time in the Community, we had three foreign policies – the German-Dutch foreign policy, which on the whole leaned towards Israel, the French foreign policy, which fell over into the lap of the Arabs, and the British and the rest foreign policy which was trying to maintain a balance and secure oil for the whole Community. If we had another crisis today in the Middle East, has the Community one foreign policy with which to deal with the situation? Has it one energy policy with which to deal with the situation? The answer is no.

And this points most heavily to the need for the Foreign Ministers to concentrate now on getting a foreign policy for the Community and delegating to lower levels a mass of intricate details with which they at present have to deal. So that is my first conclusion from the question of political changes in the world. But then there is always the question of the military situation in Europe. You realise, above everyone, that the danger from the East has not disappeared. And it is therefore vitally important that the Atlantic Alliance should be strengthened. This depends on the strength of the arrangement between the United States and Western Europe, and mainly the Community. And here, I think, two changes are necessary. First of all, that we in Western Europe must be prepared not only to maintain but to strengthen our contribution towards common defence. And the second thing is that the Americans must be prepared to see Europe contribute a greater amount to its own defence procurement. So it is a question of balance on each side. We ought to do more in our defence, but the Americans must accept that they cannot remain almost the sole supplier of military equipment to Europe. I was glad to see that President Carter acknowledged this in his press conference before he came to London and, when I am thinking about this problem as well as with related developments in the economic field, I ask myself a number of questions. These are based on the fact that, when I look up the total production of wealth in the United States and the

Community, I find that, in 1976, the production in the United States was 1,515 billion dollars. The total production of wealth in the Community was 1,345 billion dollars. Not an enormous gap. And the gap is narrowing because the wealth in Europe is increasing at a faster rate than in the United States. And compared with the Soviet Union of 600, Japan of 450, China of 285, then the United States and the Community are a long way ahead of any other group in the world. Why then is it that we are not able to emulate the United States in its defence contribution, in its space contribution, in which Europe has done almost nothing, and in many of the economic developments in which the United States has been so successful. And here I come to the conclusion which, of course, affects our economic policy that it is because we are not developing our resources sufficiently and in the right way. And basically, although we are a community with a common tariff, internal tariffs removed, we are still either in government or in industry not operating as effectively as we ought to do. Take any other projects – take fast breeder reactors: we have spent an enormous amount of money on it. We had the lead. The French have done the same. They may have the lead now by a month or two. The Germans are interested. But we can't all pour masses of resources into fast breeder reactors. Computers! – we do it, you do it, the French do it, the Italians do it, but none of us can compete with IBM, who scoop a large part of the world's pool. Let us take civil aircraft – it is still the situation that the Americans, through their defence programme, are able to have a civil aircraft industry which still scoops a very large part of the world's total demand for civil aircraft. And so I think here is a basic question which we ought to answer.

Sometimes it'll be governments, particularly in the nuclear field, and the importance of this has now been emphasised by the energy crisis and the realisation of what has happened. In other spheres, the lead ought to be taken by industry itself. The responsibility for common developments rests there. I will just add this – I don't believe it can be done in the Community unless we have a common company law on which European companies can develop and on which industrialists themselves can take the necessary steps to be able to deal either with the United States' competition or with Japanese competition. Of course, it's a very technical and dusty matter, common company law, but I do recall as long ago as 1962 talking to President Pompidou when he was Prime Minister of France in the Matignon and asking him what he most wanted for the Community. His reply astonished me, and I couldn't carry on a discussion because I don't understand anything about it. What he said was: "I want a common European company law", and he also said: "In my experience the British company law is more flexible than other people's." I don't know whether it is or not. But it is vital if we are going to make these changes that the Community should develop along these lines. Work has been done on it, but the Commission and the Council of Ministers have not forced it through. And so these are the consequences of the necessity for a military contribution, that we should have a strong economy, and it can only be developed on a European basis. When we now come to look at the economic questions as a whole, then, as I have said, the change in the world affairs began with the oil crisis of 1973. I am puzzled today by those who say to me: "We do seem to be taking a long time to pull out of this trade cycle." This is not an ordinary trade cycle. It is a complete disequilibrium in the world economy caused by the OPEC countries quintupling the price of oil. It seems to me that many world leaders have been slow to recognise this. The seven most important, as you know, have just met in London. They issued a thousand word communique saying they had discussed the whole of world affairs in the lengthy period of six hours. They had come to the conclusion that we lived in a changing world.

I don't question that. But it really wasn't – or was it? – worth all the expense of the journey to London. They then issued an appendix to the communique, five times the length, which was a rather ineffectual attempt to disguise the fact that they didn't know what to do about this changing world. Now there I have sympathy with them. But if only they would have said: "This is the crisis, and we have now got to deal specifically with it in a variety of ways", then countries might have been able, to respond. But the general language of the communique and the appendix

has not led anybody to believe that they are able to cope with this. What has happened is that the quintupling of oil prices was a massive transfer of financial resources from the West to the OPEC countries. The OPEC countries were in no position to spend that money in the West, and the result has been high unemployment. There is still a gap of between 40 and 60 billion dollars not coming back to the countries who are contributing it. Hence, the continuing high unemployment. And when we look at it purely as a trade cycle question, then the measures that countries take to deal with trade cycles, even under the post-Second World War system, are not going to deal with a world disequilibrium of up to 60 billion dollars a year. Now that is the problem which faces us, and the responsibility on the Community is to work out ways and means by which we can play our part in ensuring that a satisfactory economic solution is found to it. I see no point in saying: "It's a good thing for the IMF to have more money and to make more loans", if, at the same time, the IMF attaches strings to those loans, saying: "You must cut back on government expenditure and create more unemployment." That is not solving any of the problems of our modern Western society.

And so, in the economic field, that is my main conclusion. First, we must recognise that this is not just the end of a normal trade cycle. We are faced with a continuing, heavy imbalance in world economic affairs, and the consequences will be a continuing high level of unemployment, with more than 5 million unemployed in the Community alone, and, I suppose, 14 million in the Western world altogether. What are the consequences if this is not tackled? I believe that the impact on our society will be very great indeed. Young people will leave school, as they do in my own country, unable to find jobs for six months, a year, two years. They will be cushioned by social service benefits for the first period, but how long is it before a young person loses his or her self-respect? People leaving universities with high qualifications unable to find jobs which correspond to those qualifications. That will produce a reaction in the universities which already we are seeing in some places. And, if that goes on for a sustained period, then people will begin to challenge the nature of society and the economic system itself, and they will say: "The system is not meeting our needs."

That then becomes a dangerous situation for democracy, and that is why I emphasise first of all the need to deal with this particular world imbalance. The second aspect of it is this – I return, as I said I would, to my earlier point about the countries of the developing world in Southern Africa, in South America, South-East Asia. If we are going to show them that we have a better society to offer them than Moscow or Peking, it is difficult to do so with high unemployment continuing year after year, and with high inflation in some of our countries. Of course, the choice for them is a difficult one, and, in many of them, there is great emotional feeling behind it. I was very impressed a year ago going round the Pacific. You can feel it in the air. Here are these countries with large populations – the Philippines, 45 millions, 50 per cent of whom are under 16 – Indonesia, 110 millions, 50 per cent of whom are under 20. The same in Singapore or in Korea or in Hong Kong. What will be the situation in five or seven years' time when these young people are all in their twenties and they have an explosion of energy? They're going to say: "We've got to decide which way we're going."

Are they going to look from the Pacific east to Washington, Paris, London, Frankfurt, Hamburg at the form of economic society that we've got, a free enterprise system and our society based upon it? Or are they going to look to Peking and to Moscow. In Peking or Moscow they say: "Well, they have no freedom, but they all have a job. And in China the prices haven't changed for 25 years." Or are they going to look to us and say: "Well, they do have freedom, but, if we have their system, shall we have a job, and what will happen to inflation and prices and our standard of living?" It's not a simple choice for people in that situation, but, for us in the Western World, it's a very important one which they have to make. And finally, in the financial sphere, we see that the system of parities which had been established for so long, which we thought had come to stay, has disappeared, and we have seen a form of international chaos in the financial markets. In the Community, we have twice tried to put our currencies into the mould of the snake, and

the mould has broken. It was not strong enough to hold the currencies. Is it right to go on trying to achieve a stable financial arrangement by that means? Or ought we to try another? My conclusion here is that the way ahead lies in trying to reduce the disparity between the member countries of the Community. The tragedy is that, since October 1972, the differences have widened instead of narrowing. They have widened between the Federal Republic and Britain, Italy and Eire as the main examples. This leads to a demand for policies for regional and industrial development, training and allied matters. In this, Chancellor Brandt and your government and your country were particularly helpful to us. At the summit in October '72 they supported us in the need for a community regional policy. It has already been of great benefit to my own country. I see no other means of changing the infrastructure of countries where the differences have become wider than they were in 1972.

President Pompidou didn't agree with it in the least. He said: "A regional policy is entirely unnecessary." But he was finally persuaded after the last lunch of the conference to accept it. He was very reluctant. He said to me: "I can see why you want it, but we don't need it anywhere in France." And he said: "Even if I thought we needed it, I think the Commission who have worked it out are absolute idiots." And I said: "Why do you think that?" And he said: "Well, they have told me we have to contribute so many francs. They have sent me a map of the Community. They have marked on the map where the money is going. I come from Auvergne. I immediately look at Auvergne. There is not a franc going back to Auvergne for regional development. They must be idiots if they think I am going to give them money and they won't give me a franc back for Auvergne." All I could say was: "Well, forget that, and I will go away and produce a new map for you and then you can support regional policy." And so that is the way, I think, in which the Community must look ahead from the economic side in order to help the financial stability and enable us to move to economic and monetary union, though alas the target date is now way beyond 1980 which we had first fixed. And so, in all of these ways, the world has changed and the Community has a different place in it. A final part of the world's tragedy is, of course, China. China will be a thousand million by the end of this century – a thousand million people. It is a nuclear power – it will have built up its nuclear position.

If the Russians had ever thought of taking out China's nuclear power, I think it is now too late for them to be able to do so effectively. I do not think that, for the immediate period ahead, the rest of this century, that the Chinese People's Republic wishes to be an aggressive expanding power. It will be so preoccupied, as Chou En Lai said, with feeding a thousand million mouths, three times a day, every day of the year, as not to be able to engage in outside activities. Because they realise that, if they fail in that object of feeding a thousand million mouths, then that is the end of the regime. But China wants to see a strong Europe on the Russians' western flank, and we want to see a strong China on the Russians' eastern flank. And so then the whole of the world's strategy fits together. For the Community to be able to play its part, we have to bring about the policies which I have been discussing, and here I come to the final point, that one of the important means of doing this is the direct election of the European Assembly.

I believe that, once members are directly elected, they will be able to bring much greater pressure to bear on the Commission and on the Council of Ministers. I do not see any contradiction in this and the pressure which National Parliaments can exert on their Ministers for their appearances in the Council of Ministers. I regard them as complementary. At the same time, I cannot disguise the fact that I hope that those who are in the European Assembly will look at questions from a European point of view rather more than National Ministers have tended to do in the Council of Ministers in the last three years. I appreciate their difficulty. They have been borne down by the problems of massive unemployment and high rates of inflation and all their internal difficulties. It has taken their eyes away from the European scene. Chaumonot said to me that the Community exists to find common solutions to common problems. Heaven knows we've had enough common problems! But we have not used the Community to find common solutions."

That is what we now require to do. The European Assembly can take that attitude as an assembly and bring influence to bear on those whose job it is to prepare the proposals in the Commission and to take the decisions in the Council of Ministers. You have strongly supported that in your country. We are bringing pressure in my own party. I would not attempt to disguise the fact that the present British Prime Minister has never been whole-heartedly in favour of a European policy, nor have members of his cabinet, nor have members of his party, but he is committed to European elections, and the argument now in the British Parliament will be about the system to be adopted. We shall do everything possible to ensure that that debate is concluded and the legislation passed in time for us to have the elections in 1978.

This change may well signal not only the way ahead but the regaining of the momentum of the life for the Community, and when we see the challenge around us in the world, in the political sphere, in the military sphere, economically in the world imbalance, financially with our currencies, then surely we must agree that the European Community not only has a vital role to play in all of this, but we shall be ignoring our responsibilities unless we play it.

