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Debate on Policy for Peace and Co-operation  
in Europe. European Integration.

The last 25 years has been a period  
of continuous growth in Western Europe. This is  
something new in history. It is a break with  
earlier years of strong economic fluctuations.  
/involving  
/ periods of stagnation, crisis and unemployement

The economic co-operation which they  
have developed between themselves, is a main  
element of post war politics of European countries  
This replaced the economic protectionism and  
isolationism of the nation-states in the 1920's and  
1930's.

However, the process of integration  
has its roots far back in history. It represents  
a long-term trend in the development of relation-  
ships between nations. But time and again the  
integration meets with conflicting trends, which  
lead to periods of stagnation, political struggle,  
and even to set backs. Nevertheless, the long-  
range trend is evidently a continuous and more  
extensive integration.

In the years after the second world war in Western Europe the social democratic parties and the trade union movement have committed themselves to a welfare policy aiming at full employment and the abolition of social inequality. Already at the outset it appeared evident that such a policy was possible only when it was pursued simultaneously by many countries which were economically closely tied together. Countries do not export only goods and services to each other. They also export trade cycles; growth creates growth in other countries, and depression creates depression.

A policy of full employment, economic growth and a fair income distribution carried out simultaneously by many countries which influence each other, has gradually been accepted by all parts of democratic Western-Europe. To day such a policy is supported far beyond the Socialist parties and it has acted as a decisive incentive to the progress of the last 25 year

The opening of state borders to give room for continually broader economic relations has made possible the exploitation of technological know-how on a larger scale. The areas of co-operation have been widened gradually as social problems have become more complicated and interconnected. The organization of this co-operation has differed between the individual countries and groups of countries, partly depending on their relationships with other parts of the world, on constitutional traditions and on foreign and defence policies. We are finding ourselves in the first stage of a development, the forms, the range and the participation of which will have to change in the future.

Different methods of co-operation have, however, tied the national economies of all industrial nations of Western Europe into a common economic system. That part of their production which they sell to each others' markets has expanded twice as rapidly as their production for domestic use. About 60 per cent of their foreign trade is marketed within their own areas. Including services, these transactions amount to some 15 percent of their total production. Trade has gone hand-in-hand with international credits, capital transfers and other monetary transactions. The countries' money and credit markets have been integrated into an international foreign exchange system in which the Eurodollar-market plays <sup>an important</sup> a leading role.

Economic integration demands a new policy for the planning and management of economic developments as national economic instruments are abolished or are no longer adequate. It requires policies to be framed in a broader perspective and for larger areas than those set by the individual state. With its determination to guide social developments and its international traditions, the social democratic movement has a special responsibility and a central role to play in an up-to-date remodeling of the European societies.

We should admit, however, that European Social Democracy seldom has found its strength in a concerted and constructive policy for the shaping

of a new Europe. For several reasons the Social Democratic Parties have usually been far more determined and dynamic in domestic policies than in foreign policy. Consequently the Social Democratic parties have too often been almost passive spectators to crises in Western European co-operation. This has been the case also in the last 25 years.

In several countries in Europe many people are doubtful about integration, particularly when it requires a firm organisation. It is essential to make it clear that the Social Democratic Movement and the <sup>Trade Unions</sup> Labour Movement by a co-ordinated effort all over Western Europe will increase their power and influence. Preferably through a common programme we should also make clear that within an integrated Europe we will pursue a co-ordinated policy, towards the same economic, social and cultural aims which have been a matter of concern to the parties in their own individual countries. We must effectively eliminate the suspicion that a firmly organised co-operation in Western Europe means the abandonment of parts of the long-term objectives which our parties have formulated for the individual countries.

A socialistic policy for Europe should aim at an effective strengthening of the democratic influence on economic and political decisions, and the strengthening of the democratic control of all kind of economic activity. Parliamentary control of government common decisions taken within international institutions is only one part of this problem. It is of equal importance that large groups of the population have

a more direct and real influence on the formulation of economic policies. All governments should frankly present their economic programmes. These should encompass their aims and clarify economic problems and the way these inter-react. These programmes together with similar material prepared by common institutions, will give people a basis for the assessment of the results of economic co-operation.

We must *clarify the content of* "de-mythologise" economic integration.

It should not appear to the people as something inexplicable run by private capitalism over the heads of the wage-earners and beyond the range of political and democratic control. The continuous deepening of the integration process emphasizes the major task of strengthening the influence of the employees in the current business of their enterprises and their adaption to new marked conditions. This problem raises for the whole of Western Europe the necessity, inter alia, to introduce up-to-date legislation covering European companies. Another important task will be to find instruments for the better democratic control of multinational companies. In this field the authorities of the individual countries have limited possibilities to influence these companies as to location, production, investment and profits.

It is a vital necessity for a European community in future to formulate and carry out a policy for promoting more equality among the people. This will require a more efficient incomes policy than we have known so far.

The absence of stability and orderly management characterizes the monetary situation in the western world. No European government seems to have full sovereignty over the execution of its domestic monetary policies and its external balance of payments. No agreement exists in this field either as to the ways in which countries through monetary co-operation shall establish a common sovereignty. An action programme should first and foremost aim at a better democratic control of international capital movements, particularly over the Eurodollar-market.

Another field of action for a socialistic policy for Europe concerns Europe's relations with the outside world. Integration in Western Europe should have a broader perspective than the mere creation of <sup>economic</sup> material prosperity for a minority group of the world population. So far, integration has gone hand-in-hand with increased trade and extensive political contacts between individual European countries and their relations with the rest of the world. This should form the basis for the further development of such contacts with Eastern Europe, developing countries and North-America. This is not only a question of trade co-operation and traditional development aid, but concerns also the system of co-operation and economic policies within Western-Europe. A task for the investment- and structural policies of European countries will be to make room for the <sup>in a market</sup> production of industrial goods which in future will be the basis for economic progress in the developing countries.

It is of decisive importance that a European Community becomes a democratic association, that it should guard democracy so far achieved and that democracy should increasingly characterize the organization of the society and the way of life within the community: Without this firm foundation in democracy and democratic aims any European community will lose its vitality.

Other organizations have suffered seriously because many people have had doubts about their unconditional fidelity to democracy which was the main motivating reason for their creation.

As socialists we are more than other people against a community if it were a closed club of rich nations. Any European community should be open towards the rest of the world and should consider itself to be an instrument to an ever increasing peaceful co-operation with all areas and countries of the world. Socialist parties have a special responsibility always to pursue policies to the benefit of the poor and underprivileged - in the entire world community.