

process of European Unity depends on the States —, or what public opinion will permit whole sectors to pass into the hands of foreign shareholders, who might decide to reduce production, or even close it down altogether?

II. Here, we are going to look at the economic and social difficulties which the states will have to overcome in the administration of the European Monetary System. From this point of view, the Community is passing through one of its most difficult periods. And the measures will, of their very nature, have a direct effect on the way of life of a large number of people, touching both incomes and employment and thus, social stability. This cannot but affect the way in which decisions are taken. However desirable it might be that they should do so, the governments are not going to allow majority decisions to be imposed on them in matters which could provoke serious social problems. Here again, as in the Treaties, it seems wise to provide for a transitional period of unanimous decisions. Insisting on this straight away is likely to paralyse the process of setting up the monetary authority.

On the other hand, however, the states will have to accept that national monetary sovereignty is incompatible with a European currency and that they must accept extensive limitations on their sovereignty in this domain, limitations which can be all the more extensive as they will have a veto during the early phases of the system.

III. These few observations permit us to underline the basic political elements of the problem.

The fundamental conclusion to be drawn from the thirty years during which the Community has been functioning is that Europe cannot be built against the states. All the major developments in the EEC confirm this, be it giving the Community its own resources or the direct election of the European Parliament. The general framework in which the monetary institutions will be established is broadly confederate. The major decisions are taken by the European Council. To carry them out recourse must be had to article 235 EEC, and if the Treaties are to be modified, the procedure laid down in article 236 must be followed. Both of these articles require the unanimous consent of the members.

However, it's perfectly obvious today that the political climate does not lend itself to large-scale action. In fields in which the decisions to be taken will have considerable social and economic consequences, the states are not prepared to accept decisions forced upon them from outside. It is not enough to say that the solution to national problems must be sought in a community approach so as to triumph over ancestral nationalistic reflexes. Plato's precept is still very apt: "Don't undertake in the state more than you can persuade people to accept". The practical consequence of this, at the institutional level, is that the only way forward is to strike a balance between the desirable and the realizable and to take into account what the states can be made to accept. What is required is to be firm on ends and flexible on means. Tactically this means a